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General

XINHUA 'Roundup' on Soviet-U.S. Relations

OW1209175988 Beijing XINHUA Domestic Service
in Chinese 0546 GMT 8 Sep 88

["Roundup: Economic Background and Effects of Adjustment of Soviet-U.S. Relations (by XINHUA reporter Li Changjiu)"]—XINHUA headline]

[Text] Beijing, 8 Sep (XINHUA)—The signing of the Soviet-U.S. INF Treaty and its implementation since last December signify that the relations between these two countries have entered a new period with emphasis on the trial of their overall national strengths and dialogues instead of arms race and confrontation. It is generally predicted that this kind of relationship is very likely to continue for a considerably long time between the Soviet Union and the United States.

Such an adjustment of Soviet-U.S. relations has a profound economic background.

Since the mid-1970's, Soviet economic growth has obviously slowed down and, sometimes, remained at a standstill, resulting in a trend of the reappearance of the large gap between its economic strength and that of the United States. Although the Soviet Union still ranks second in the world as far as its overall national strength is concerned, its GNP has been outstripped by Japan and fallen to the third place in the world.

According to statistics and a forecast made by the Japanese Economic Planning Agency, the Soviet GNP was equivalent to 52.3 percent of that of the United States in 1980 and 52.4 percent in 1986, and is expected to fall to 50.7 percent in 2000.

The Soviet official statistics show that the Soviet national income was 31 percent of that of the United States in 1950, 58 percent in 1960, 65 percent in 1970, 67 percent in 1975, and 66 percent in 1985.

It is worth pointing out that in the 1950's and 1960's the Soviet Union tried to catch up with the United States economically by relying mainly on its abundant natural resources to raise the "absolute output value" of traditional industries. It did surpass the United States quantitatively in the production of steel, petroleum, cement, and other products, but was far behind in terms of economic benefits, product quality, and technology. According to Soviet official statistics, Soviet agricultural labor productivity was only 20-25 percent of that of the United States between 1966 and 1985, while Soviet industrial labor productivity remained at the level of 55 percent of U.S. productivity from 1975 to 1985. Some economics scholars believe that the Soviet Union is more than a decade behind the West in efficiency, quality, and manufacturing technology.

Marchuk, president of the Soviet Academy of Sciences, made the following remark when commenting on the science and technology of his country: The Soviet Union is a leading country in the world in mathematics, theoretical physics, astronomy, and many other science disciplines. It has also scored outstanding achievements in space research, laser technology, and many other technological fields. However, there are a number of science fields in which the Soviet Union is below or far below the world level. Some Western scientists are of the opinion that in computer, life science, new materials, optoelectronics, and other high-technology fields, the Soviet Union not only lags behind the United States but is also far behind Japan. Soviet electronics and computer technologies are 7-10 years behind the United States, says a report published by the U.S. Congress.

Proceeding from reality, Gorbachev has come to a new understanding of the present era and the current state of socialism and capitalism. He has taken the initiative to adjust the relations with the United States and the foreign policy, trying to create a peaceful international environment so as to implement the Soviet Union's long-term economic development strategy and to narrow its economic gap with the United States.

The U.S. postwar foreign policy has always been focused on countering the Soviet Union and socialism. An article by (Hersh) carried in the 17 February 1987 issue of the U.S. CHRISTIAN SCIENCE MONITOR said: "From 1948 to the present, the most important element in U.S. political life has been the stance toward communism and the Soviet Union." "The concern over communism and fear of the Soviet military strength has always constituted a central theme in every election campaign. Such concern and fear have played an extremely important role in the success of Reagan's two presidential election campaigns."

To check socialism, the United States adopted the "Marshall Plan," and during the nearly 4-year period up to the end of 1951, it provided West European countries with \$13.3 billion in aid, which greatly accelerated the economic rehabilitation and development of West Europe. In the meantime, the United States contributed greatly to promoting Japan's economic revival and production-structure adjustment by providing technology, market, and other preferential treatments. In the eyes of U.S. authorities and their think tank, even today the Soviet Union cannot match the United States in economic strength, nor has there been a real danger so far of Soviet competition with the United States. The U.S. WALL STREET JOURNAL of 11 August 1988 carried an article which stated: "A host of significant changes in the world over the past few years have prompted the United States to reappraise its national interests. The security policy of checking communist expansion as consistently upheld in the past is no longer suited to the present situation. The focus of the new policy is economic competition."

The economic competition mentioned here means a contest of total national strength. The Japanese national Institute for Research Advancement maintains that the total national strength includes the ability to make contributions to the international community, to exist, and to enforce. On a scale of 1 to 10, if the total strength of the United States is set at 10, that of the Soviet Union would be 8, and that of Japan and West Europe would be 4 and 5. But many economists maintain that the so-called trial of total national strength is mainly a contest of economic strength and scientific and technological levels. In fact, West Europe and Japan—particularly Japan—which have developed with U.S. support, have become the United States' main rivals. This is mainly reflected in the following facts:

First, the gap of economic strength between Japan and the United States is narrowing. A comparison of Japanese and U.S. GNP's shows that in 1950 Japan's GNP was one-twentieth of that of the United States; in 1965, one-eighth of that of the United States; in 1985, one-third of that of the United States; and in 1987, approximately one-half of that of the United States. Today Japan's per-capita GNP has surpassed that of the United States.

Second, the United States has become the world's top debtor nation. At the end of 1987, the United States' net foreign debts reached \$368.2 billion, while Japan boasted huge net overseas assets of \$240.7 billion, making Japan the world's largest creditor nation. Japanese capital is flooding the United States, thus triggering an "upsurge of buying the United States."

Third, although up to the present the United States still leads in the field of high technology, it is challenged by Japan's fierce competition. The United States is seriously concerned about Japan's all-out nationwide efforts and government-enterprise cooperation in the development of high technology.

Under the circumstances, when the United States is falling in status as a leading world power and is at the same time faced with fierce competition from Japan, the Soviet Union's diplomatic offensive for peace is right in line with U.S. interests in improving relations with the Soviet Union in order to free more energy to compete with Japan.

The readjustment of Soviet-U.S. relations is not just an expedient measure but a strategic readjustment. The gradual easing of Soviet-U.S. relations not only benefits the Soviet Union and United States but will also have a tremendous impact on world politics and economy. The easing of Soviet-U.S. relations will provide a peaceful international environment for various nations to readjust and improve their own economies and speed up the economic readjustment and development of the whole world as well.

Soviet Envoy Cited on COMECON-EC Ties

OW0509151588 Beijing XINHUA in English
0558 GMT 5 Sep 88

[Text] Brussels, September 3 (XINHUA)—The Soviet ambassador to Belgium said the recent normalization of ties between the two largest European Economic groups has indicated a relaxation of tensions and improvement of relations in the world.

In an exclusive interview with XINHUA here Friday, Feliks Bogdanov said the normalization of diplomatic ties between the Council for Mutual Economic Assistance (COMECON) and the European Community (EC) is "a really very important event for the future improvement of international relations not only in Europe but also in the rest of the world."

The COMECON and EC initialled a joint declaration in Moscow on June 9 on establishing official relations between the two organizations, thus ending 15 years of talks on opening official ties.

Bogdanov noted that it is the first step toward creating favorable conditions for developing commercial, economic and scientific and technological cooperation between EC member countries and those of the COMECON.

The Soviet diplomat said the Kremlin welcomes the complementarity of trade exchange which gives the Soviet Union access to Western high technology. But he added: "We think technology transfer is reciprocal," referring to the limited Soviet commodities on the West European market.

Bogdanov said the normalization of ties between his country and the EC has also opened up "great perspectives for political dialogues." He observed that it is necessary to seek all forms of discussion for finding solutions to problems of disarmament and European security and to other global issues.

He said the Soviet-U.S. accord on medium-range missiles, the Geneva agreement on the Afghanistan issue and the cease-fire between Iran and Iraq have all embodied the openness of Soviet leader Mikhail Gorbachev's new foreign policy.

World Future Studies Federation Conference Ends

OW0909045288 Beijing XINHUA in English
1336 GMT 8 Sep 88

[Text] Beijing, September 8 (XINHUA)—The six-day 10th world conference of the World Futures Studies Federation (WFSF) closed today in Beijing.

More than 400 representatives from over 40 countries and regions discussed the development of culture, economy, science and politics, with "the futures of development" as the theme.

The conference concluded that development [words indistinct] international cooperation, mutual respect and learning from each other. Development is for global prosperity and progress. It is necessary to learn the strong points and experience of other countries. However, it will never do to blindly copy models from foreign countries, it stressed.

Basically, progress means the full development of human ability, not only in the economic sense but also in the fields of culture, ethics and morals, and continuous improvement of the natural environment.

Ma Hong, director of the State Council's Economic, Technological and Social Development Research Centre, said at the closing ceremony that China is turning its ongoing reforms into action of its one billion people to gradually narrow the gap in economic development between China and the developed countries. China has one fifth of the world's population, and therefore its development is an important part of world development, he added.

The conference elected a new council, with Jim Dator, a professor at University of Hawaii, as the new chairman of WFSF.

International Conference on Marine Corrosion Held
OW0809000888 Beijing XINHUA in English
1523 GMT 7 Sep 88

[Text] Xiamen, September 7 (XINHUA)—Ways and means to reduce corrosion, which consumes as much as four percent of the gross national income of many countries of the world, are the topics of discussions here at an international conference on marine corrosion.

More than 400 experts and scholars from China, the United States, Britain, Japan, Italy, Finland, Singapore, Poland, the Soviet Union, Federal Germany and Hong Kong are attending the conference sponsored by the Chinese Society of Corrosion and Protection, the China Association for Science and Technology and the Association of Corrosion Engineers in the United States.

Discussions will promote the development of corrosion-control technology in China and heighten technical cooperation among different countries.

An exhibition of products of international corrosion-control technology is also being held.

Pacific Fishery Meeting Opens in Nepal
OW0809235588 Beijing XINHUA in English
1757 GMT 8 Sep 88

[Text] Kathmandu, September 8 (XINHUA)—The fourth session of the Indo-Pacific Fisheries Commission (IPFC) working party of experts on inland fisheries opened here today.

More than 20 fishery experts from China, India, Indonesia, Nepal, Papua New Guinea, the Philippines, Sri Lanka and Thailand attended the meeting organized by the Food and Agriculture Organization of the United Nations (FAO).

At the opening ceremony, representative of the FAO S.S. Mahdi said that the main responsibility of the working party is to conduct constructive discussions on a variety of areas associated with inland fisheries development and management of member countries, to identify areas of primary concern and to formulate recommendations.

He praised Nepal's achievements in the development of inland fisheries. He said that the rate of growth of fisheries development in Nepal has been perhaps the fastest among all the members of the Indo-Pacific commission. Now, while the country continues to receive technical assistance in specialized areas, it is also assisting other countries through the supply of fingerlings, providing experts as well as receiving trainees from abroad.

The meeting will end on September 14.

Zhejiang Receives UN Flood Relief
OW1009001888 Beijing XINHUA in English
1219 GMT 9 Sep 88

[Text] Beijing, September 9 (XINHUA)—The World Food Program (WFP) has approved to provide 10,000 tons of wheat as an aid to the flood-stricken areas in Zhejiang Province, east China.

The floods, which hit the province in the wake of Typhoon Bill last month, caused serious damages to houses, schools, irrigation infrastructure, and other facilities in these areas.

WFP officials said that the aid, which is worth 1.7 million U.S. dollars, would be used as part of the government's efforts to reconstruct housing, schools and irrigation infrastructure and to rehabilitate flooded cropland.

'Roundup' on Effect of Bank Rate on Third World
OW0909153688 Beijing XINHUA in English
0835 GMT 9 Sep 88

["Roundup: Bank Rate Hikes Burden Third World Debtors (by Le Zude)"]—XINHUA headline]

[Text] Brussels, September 9 (XINHUA)—Recent hikes of interest rates in major industrialized countries are putting more of a burden on Third World debtor countries.

From the early 80s, when the debt crisis erupted, through the end of 1987, Third World countries amassed nearly 1,200 billion dollars of debt. About half of this has been accumulated by countries already burdened by debt-service problems.

The debt crisis is also determined by the ratio of fixed and floating interest rates in loans. An economic analyst from La General de Banque of Belgium points out that in Latin America, 75 percent of the loans carried by several of the largest debtor countries are at floating rates, which means that they are increased when interest rates increase.

As a result, these recent increases in interest rates by Western creditor nations have dealt a heavy blow to the weakening Third World economy. African nations almost without foreign exchange reserves and some heavily indebted Latin American nations are suffering most.

Because of the decline of primary product prices in world markets over the past several years, export earnings of developing countries have drastically declined, and they are less able to meet their international loan obligations.

In 1986 alone, Latin American countries were required to pay almost one fifth of their export earnings to meet the interest on foreign loans. In some African countries payments of principal and interest required more than one-third of export earnings.

Francois Philipse, another economic analyst from La General de Banque of Belgium, told XINHUA that the debts of Latin America now stand at 421 billion dollars, and about 60 percent of these debts are bank loans.

Each one percent increase adds four billion dollars to total interest charges, he said.

The economist also said that the sub-Saharan region in Africa owes 100 billion dollars and bank loans account for 25 percent of these debts.

He pointed out that since the region's economy relies principally on farm product exports, it has been greatly affected by the drop of primary product prices in world markets, and can hardly bear the burden of increased bank rates.

These were raised by Western financial institutions in 1980 and 1982, and, he said, the situation has subsequently deteriorated.

According to the latest figures of the General Agreement on Tariffs and Trade (GATT), debts of the 15 largest debtor countries climbed 4.5 Percent each year from 1982 to 1987, while their gross national product (GNP) rose only one percent annually.

During the same period, the proportion of debt to GNP rose from 42 in 1982 to 50 percent in 1987.

Analysts here noted that the hike of interest rates by developed countries has increased the value of their currencies, which also raises the cost of their imports.

This year, developing countries are also facing increased grain prices due to the drought in the United States and locusts and floods in other countries.

Furthermore, in the wake of the hikes of interest rates, Western countries may slow down their economic growth, which will also lessen their imports of primary products of developing countries.

Third World countries have repeatedly demanded that Western creditors take measures to lessen debt burdens. For their part, the Western industrialized nations worry that the political and economic effects of the debt crisis threaten their markets, supplies of raw materials and strategic interests.

Therefore, both debtors and creditors have begun negotiating agreements reducing some interest charges. However, these cover only a very small proportion of the debts owed by Third World countries.

GATT has recently suggested a write-off of 30 percent of the amounts owed by the 15 largest debtors. Only in this way, it maintained, could developing countries work themselves out of the vicious cycle of debts.

While this proposal conforms to the demands of the Third World, it remains to be seen how it will be received by the developed countries.

Comparison of Spokesman on Malaysian Leaders

Beijing RENMIN RIBAO in Chinese on 9 September carries in the bottom left corner of page 4 a 250-character XINHUA report entitled "Foreign Ministry Spokesman on Malaysian Officials' Visits to Taiwan." This version has been compared with the XINHUA English version published in the 8 September DAILY REPORT, page 2, revealing the following variation:

Second column, paragraph seven, first sentence reads in RENMIN RIBAO: September 8 (XINHUA)—"We always oppose any official contact with Taiwan made by a country which has established diplomatic relations with China. We are deeply... (adding sentence)

United States & Canada

U.S. Develops Earth Penetrator Nuclear Missile
OW1309031488 Beijing XINHUA in English
0120 GMT 13 Sep 88

[Text] Washington, September 12 (XINHUA)—The United States will develop a new kind of nuclear weapons that can endanger enemy's underground command centers built to protect its leaders, Pentagon officials said today.

The new weapon, formally known as an earth penetrator, is nuclear-tipped missile with warheads that can burrow into the earth before detonating.

The highly classified project, already under study for years, has been approved recently by Secretary of Defense Frank Carlucci.

The Energy Department reportedly disclosed in June last year that it had begun preliminary development work on the warhead needed for the new missile.

Military scientists are convinced that a burrowing warhead would be far more effective against underground bunkers than other nuclear devices that explode on the surface.

But, a Pentagon official said that it is not easy to develop such warhead because it must withstand the shock of striking and burrowing through the ground before exploding.

U.S. Semiconductor Makers Seek Protection
OW1009183688 Beijing XINHUA in English
1554 GMT 10 Sep 88

[Text] Washington, September 10 (XINHUA)—America's semiconductor makers have sought protection to beat back on-rushing waves of Japanese products.

According to reports from San Francisco, where representatives of chip makers and users met Thursday, a decision was made by the U.S. semiconductors industry to "seek appropriate U.S. Government cooperation" and to "explore extraordinary measures" to increase U.S. production of certain types of computers chips.

The move followed the establishment a year ago of electronics industry consortium called Semtech, which has already received government subsidies for its research work.

The U.S. semiconductors industry decided to form a committee of eight to ten chief executives to work out more detailed recommendations to the government. The recommendations will include price regulations reform to prevent Japanese competition.

Japan's domination in commodity-type computer chips has caused alarm to U.S. semiconductor industry and policy makers. Earlier attempts to restrict Japan from below-market price selling resulted in a d-ram shortage that sent a few U.S. computer makers to make use of second-hand chips.

Now that the shortage is over, but it does not mean more U.S. chip makers are back on their feet to fill up the necessary needs for d-rams, the most used chips for computers.

In addition to ask for government help, especially from the Pentagon, U.S. semiconductor makers also reportedly resorted to unethical measures. For example, they have reportedly interrupted supply of their chips to certain American distributors who began to take on Japanese product lines.

THE NEW YORK TIMES reported earlier this week that such practice has been going on for 12 years and "there's nobody in this business of distribution who doesn't know that's the deal."

Some American distributors therefore chose to market only Japanese products, reports say.

New U.S. Textile Protection Bill Viewed
OW0909135288 Beijing XINHUA in English
0558 GMT 9 Sep 88

["Roundup: Another U.S. Protectionist Bill" (by Liu Zhiguang)]—XINHUA headline]

[Text] Washington, September 8 (XINHUA)—The U.S. Senate voted 68 to 29 Wednesday to restrict debate on a new textile-protection bill curbing the growth of U.S. textile imports. The move virtually assures the passage of new protectionist legislation.

The new bill will limit increases of imports of textiles and clothing to only 1 percent a year. They have been increasing 16 to 17 percent annually for most of this decade.

The legislation would also freeze imports of non-rubber footwear at present levels.

Observers here regard the textile bill as additional protectionist legislation. It follows the recent enactment of the Omnibus Trade and Competitiveness Act.

The vote on the motion to invoke cloture was large enough to override a potential veto by President Reagan. And its passage would initiate a stage for another trade confrontation between Congress and the administration.

A slightly different version of the textile bill has already been approved in the House.

President Reagan has not indicated his position on this measure, but his earlier veto of a more rigid curb on textile imports was sustained.

The new bill has been criticized by cabinet members and other senior administration officials.

In announcing their intention to recommend a veto of this measure, a group of cabinet and other senior administration advisers asserted that the textile bill would provoke retaliation against American exports, hurt consumers and violate international obligations.

"The textile and apparel industry probably has the least persuasive case for further import protection of any major industry in this country," said a letter from seven cabinet members to each senator last month.

But the bill's backers say the industry faces a major crisis. They claim that 1,000 U.S. textile plants have closed since 1980 with a loss of 350,000 jobs.

However, the WALL STREET JOURNAL editorial on Wednesday called the textile and apparel industries "the most protected U.S. industries." According to the journal, "They already benefit from tariffs averaging close to 18 percent, not to mention more than 1,500 quotas... Factories are running flat out while profits soar—by 8.6 percent last year, after a 67 percent leap in 1986."

William Kline, of the Institute for International Economics, has estimated that textile protection costs the average U.S. household 238 dollars a year for apparel—a total of some 20 billion dollars.

Fishing Vessels To Leave for Alaska

HK1209150588 Beijing CEI Database in English
12 Sep 88

[Text] Yantai (CEI)—Two large-scale fishing vessels from the Yantai Deep-Sea Fishing Company will soon leave for the Alaska sea waters in North America to carry out a 9-month fishing.

Since a Chinese fishing fleet first entered the Alaska waters in September 1985, the amount of catch has increased each year and considerable economic return has been gained.

The fleet will also cooperate with other countries to jointly tap fishery resources in high seas.

According to sources, the Yantai Deep-Sea Fishing Company has set up a fishery production base, joint venture, on the other side of the ocean together with U.S. companies.

Xiamen Medical Program To Train American Doctors

OW0609012588 Beijing XINHUA in English
0026 GMT 6 Sep 88

[Text] Xiamen, September 6 (XINHUA)—A group of U.S. citizens will take part in a training program on traditional Chinese medicine in Xiamen, in South China's coastal Fujian Province.

Sponsored by the Xiamen International Training Center on Traditional Chinese Medicine, the program, reportedly the first in Xiamen to train American doctors specializing in Chinese medicine, including acupuncture, will start September 30, a program spokesman said.

So far about ten trainees have handed in their registration forms to the program in which they will study the theory on acupuncture and do their internship in the city, he said.

Headed by Andrew Ellis, the 15 American students and an interpreter have long been interested in Chinese medicine, he said.

Since its establishment, the center has already trained over 40 overseas students, mainly from Taiwan and Southeast Asian countries.

The spokesman said that the center will host the third Asian seminar on Chinese medicine in the near future.

Soviet Union

Reporter's Account of Sino-Soviet Border Trip

HK1309105688 Beijing ZHONGGUO XINWEN SHE
in Chinese 0417 GMT 10 Sep 88

[Report by Zhu Daqiang (2612 1129 1730): "A Visit to the Sino-Soviet Border"]

[Text] Harbin, 10 Sep (ZONGGUO XINWEN SHE)—During a visit to Heilongjiang Province this reporter went to the border and enjoyed the scenery there on board "Longjiang."

The Scenery on the Border is Fascinating [subhead]

The scenery on the Sino-Soviet border is fascinating and makes one feel refreshed.

Soviet houses along the river are mostly white. Many Soviet girls were playing in the river in bikinis. There were also many people swimming on the Chinese side of the river, but some were taking a bath and others were washing their clothes.

Civilians on both sides maintain friendly relations and live in peace with each other. The captain said that many of the Chinese civilians on the border are relatives and 3 to 4 percent of them are of mixed blood. They are playing the role of "civilian envoy." Some old men and women occasionally go to the opposite side to have a look at their grandsons and granddaughters.

While sailing on the river, we could frequently see ships from both sides sounding their whistles to congratulate each other. We also waved our hands to greet Soviet tourists.

It is unavoidable that some conflicts have occurred along the 2,000-km-long Sino-Soviet river boundary. These conflicts are submitted to the annually-held Sino-Soviet river boundary traveling meeting for settlement.

The River Is Broad Enough for You To Travel [subhead]

We were traveling upstream on board "Longjiang" at the speed of 30 km per hour.

The river is broad, and it deserves the reputation it enjoys. The section from Heihe to Mohe along the Heilong Jiang is equivalent to that from Yichang to Chongqing in the Chang Jiang but is much broader than the latter. The water here is calm and is therefore good for sailing.

Our speed boat was traveling freely on the river. On our journey we generally met a boat about every half hour; sometimes we did not see a even single boat for a whole day. This excellent sailing condition is put to little use. The river water is flowing to waste.

As a matter of fact, the Heilong Jiang has a navigation history of 3,200 years since "canoes were made out of tree trunks" in ancient times. But the development of navigation on this river has been very slow. Many people think that this is because the Heilong Jiang is situated on cold highlands that remain frozen for 5 to 6 months a year, so only seasonal navigation is available. Moreover, industry is underdeveloped along the river. There are no other materials available for transport apart from timber and coal. All this is restricting the development of navigation in the Heilong Jiang.

In view of this, the government has invested 200 million yuan in the construction of basic facilities for navigation. It has also built the ports of Fulaerji, Tongjiang, Suibin, and Heiho. There are already 600 or so transportation ships, with an annual transport volume of 5 million tons. In particular, the development of trade with the Soviet Union has provided a new opportunity for navigation in the Heilong Jiang.

The Arctic Village—Mohe [subhead]

The speed boat "Longjiang" arrived in the most northern part of China—Mohe.

It was already 2200, but the sky was still full of sunset clouds. People told me that during summer the nights average only 2 to 3 hours here. Therefore Mohe is known as a "town that never sleeps."

Mohe is a small town with beautiful landscapes. It is situated on top of the crest of the rooster-like map of China at 296 meters above sealevel. Almost 10,000 domestic and foreign visitors come to this town every year.

Everyone hurried to a boundary marker on the "northern border" and took a photograph beside it. We sent letters from here to our relatives and friends because envelopes with postage stamps printed with the word "Mohe" have attractive philatelic value.

The night finally came. We visited a cadre in Mohe. He told us that there are about 600 households in Mohe village. Their per capita income is 870 yuan and 80 percent of peasant households have color television sets. Most of them have washing machines.

In the light of the natural conditions on the border, the civilians there engage in farming, hunting, panning, and the production of mountain products. During winter they go up the mountains to fell trees for sales. They can earn a little over 100 yuan from a day's work. So their pockets are always full.

That village cadre added that the people there are comparatively rich. A view of their livelihood makes me believe his remarks.

Soviets Bid on Guangzhou Subway Project

HK1309011188 Hong Kong HONGKONG STANDARD
in English 13 Sep 88 p 1

[By Tammy Tam]

[Text] The Soviet Union is making a determined effort to regain a stake in China's economy by bidding for a multi-million-dollar Guangzhou subway contract.

It has offered the mainland highly attractive terms—including payment in kind rather than cash—and wants to send representatives to a symposium in Hong Kong next March to meet others interested in the project.

A representative of the Guangzhou subway authority said yesterday the move by the Soviet State Metro Bureau had received a "warm welcome" in Guangzhou, but it would have to compete on equal terms with other countries.

Their plan to attend the Hong Kong symposium could run into a snag, however, because of the territory's ban on East Europeans coming here.

Mr Caine Chan, deputy director of the subway's public relations consultant, Coastal International Investments Company, said Coastal had arranged for Soviet officials and metro experts to visit Guangzhou early this year to study the project.

The group included the Soviet trade representative to China, the deputy director of the State Metro Bureau and two technicians.

The Soviets had invited the Guangzhou authorities to hold further discussions about the plan and the Guangzhou office was considering the invitation now.

"They have offered a barter format in which China will give back regional special products and light industrial products to Soviet Union to pay for the loan," Mr Chan said.

"The Guangzhou office has already expressed its warm welcome to the Soviets' offer, but that is from a purely economic consideration which has nothing to do with politics, and the Soviets have to compete with other Western companies," he said.

Recent recent improvements in Sino-Soviet relations are providing an encouraging atmosphere.

He said it was up to the Hong Kong Government to decide whether the Soviet delegation would be allowed to come here.

"I'm applying for visas for them, but it is not up to me to decide," he said.

There have been signs recently that the government is relaxing its ban on Eastern Europeans a little. It allowed a Soviet pianist to come here in January—the first in 25 years—and representatives from Hungary and Yugoslavia were at Leather Fair '88 in May.

Mr Chan said the Russians were eager to get back into the China market, which they dominated before the Sino-Soviet rift.

This was why they were not insisting that China pay in hard currency.

"China is a huge market which was dominated by the Soviet Union alone during the fifties. It now wants to compete with the West to gain the market back," he said.

The Soviet Union, one of earliest designers and builders of underground railways, is renowned for the magnificent interior decor of the Moscow Metro.

But Mr Chan said officials of the Guangzhou subway preparatory office preferred the more modern Hong Kong style.

He said the Soviets had kept a close watch on the development of the Guangzhou Metro. "After their first visit to Guangzhou early this year, Soviet experts have been at Guangzhou many times.

"And they will send more experts to Guangzhou after the finish of the feasibility study in September," he said.

Soviet Consumers' Cooperative Group Tours Harbin
OW1309002788 Beijing in Russian to the USSR
1800 GMT 11 Sep 88

[Text] An economic and trade delegation of the Central Union of Consumers' Cooperatives of the USSR headed by (Serafim Veleryevich Nikolayev), deputy director of the foreign trade company of the Central Union of Consumers' Cooperatives of the USSR, arrived in Harbin, China, on 9 September for a friendly visit.

At a banquet held 10 September in honor of the Soviet delegation, Hou Jie, governor of the Heilongjiang Provincial People's Government, and Deputy Governor Du Xianzhong warmly received the Soviet guests. The sides

will hold a broad exchange of opinions on further developing bilateral trade and expanding economic and technical cooperation. The delegation will be in Harbin for 4 days.

Soviet 'Progress-38' Docks With Mir Station
OW1209153988 Beijing XINHUA in English
1312 GMT 12 Sep 88

[Text] Moscow, September 12 (XINHUA)—A Soviet spacecraft Progress-38 with fuel, food, instruments and mail docked with the orbiting Mir space station at 0522 hours (Moscow time) today, the Soviet news agency TASS said.

The docking operation was conducted by the onboard automatic systems and assisted by the ground control center and three cosmonauts on board the Mir—Vladimir Titov, Musa Manarov and Valeriy Polyakov, the agency said.

TASS said Titov and Manarov were launched last December 21 and Polyakov was sent up two weeks ago.

Arbatov IZVESTIYA Article on Reform Noted
OW1309111188 Beijing XINHUA in English
0922 GMT 13 Sep 88

[Text] Moscow, September 13 (XINHUA)—The success or failure of the Soviet reform depends on whether or not the Soviet people trust the party's policy, according to Soviet Academician Georgiy Arbatov.

The remark was made in an article, entitled "Non-Economists' Reflection of Economics," which was issued Monday in the government newspaper IZVESTIYA.

In the article, Arbatov said that the state economic plan should be revised from the point of view of reform.

He called for efforts to reduce the loss of vegetables and fruits in harvesting and transportation, settle the problem of grain imports, as well as stop some projects which require heavy investments but are unprofitable.

Arbatov also urged reform in the service sector, and the establishment of a special committee charged with rehabilitating those advocates of reforms who have been persecuted.

Northeast Asia

Editorial Hails Yang's Pyongyang Visit
HK1309102088 Beijing RENMIN RIBAO in Chinese
13 Sep 88 p 1

[Editorial: "It Is Gratifying To See Sino-Korean Friendship Passing on From Generation to Generation—Warmly Hailing Successful Visit to Korea of Delegation Led by President Yang Shangkun"]

[Text] The Chinese party and government delegation headed by Yang Shangkun, president of the PRC, after participating in the celebrations marking the 40th anniversary of the founding of the DPRK and paying a

friendly visit to Korea, returned to Beijing yesterday [12 Sep], bringing with it the profound sentiments of friendship of the Korean people toward the Chinese people.

This was the first official visit made by Comrade Yang Shangkun after he became state president. This visit fully demonstrated the close fraternal relationships between the two parties, two states, and two peoples of China and Korea and also fully showed that our party and government attached great importance to the traditional Sino-Korean friendship.

After setting foot on the beautiful soil of Korea, President Yang Shangkun was accorded a warm welcome and lavish hospitality by President Kim Il-song, the Korean party, government, and people. The scenes of the Korean people's welcome with dances and songs fully demonstrated the friendly sentiments of the Korean people toward the Chinese people. President Yang Shangkun and President Kim Il-song held two rounds of talks, and in the cordial and friendly atmosphere, they told each other of the conditions of economic construction in their respective countries and exchanged opinions on bilateral relations, the situation on the Korean peninsula, and some major international affairs of common interest. They reach agreement on a wide scope of issues, and the talks increased mutual understanding and friendship. The Chinese party, government, and people are glad to see the achievements made by the Chinese party and government delegation headed by President Yang Shangkun.

The rich and colorful celebratory activities marking the 40th anniversary of the founding of the DPRK vividly reflected the soaring morale and lofty sentiments and aspirations of the industrious and resourceful Korean people under the leadership of the Korean Workers' Party headed by President Kim Il-song. The Korean Workers' Party maintains the principles of political self-determination, economic independence, and military self-defense, leads the people to carry out in depth the three revolutionary movements in the ideological, technological, and cultural fields, and has made great achievements in the socialist revolution and in socialist construction over the past 40 years. Today, Korea has developed from the poor and backward conditions 40 years ago into an increasingly prosperous and thriving socialist country. The Chinese people are heartily glad to see the great achievements made by the Korean people.

Striving for the motherland's independent and peaceful reunification is the urgent task for the Korean people and they have made unremitting efforts towards this purpose for a long time. President Kim Il-song, the Korean party and government have put forward a series of reasonable and sensible proposals for this purpose. President Yang Shangkun reiterated that the Chinese Government and people will, as always, firmly support the Korean people's just position and proposals for

easing up the situation on the Korean peninsula and for realizing the motherland's independent and peaceful reunification through dialogue and consultations.

China and Korea are two neighboring countries being linked by common mountains and rivers. They are as mutually dependent as lips and teeth. The two peoples are comrades-in-arms bound together by ties of fraternal friendship. In the previous struggles against imperialism and colonialism and for national independence and liberation, the two peoples fought side by side, went through thick and thin together, and cultivated the great Sino-Korean friendship with blood and lives. Today, our two peoples are facing the same great tasks of striving for the motherland's peaceful reunification and developing economic construction. Increasing the mutual understanding, mutual trust, and mutual support between our two parties, two states, and two peoples on the basis of our traditional friendship will certainly help both sides to speed up the process of fulfilling arduous and great tasks, and will further advance the great Sino-Korean friendship.

The revolutionary friendship between the Chinese and Korean people was personally founded and cultivated by Chairman Mao Zedong, Premier Zhou Enlai, and President Kim Il-song, and has stood the tests of history. We are glad to see that in recent years, leaders of the two country have frequently exchanged visits and held meetings. The two peoples maintain close contacts and visit each other like relatives. This will certainly produce, and has produced, a positive influence on the development of socialist construction in our two countries. This time, President Yang Shangkun was invited to the grand celebrations marking the 40th anniversary of the founding of the DPRK, and paid a friendly visit to Korea. This made new contributions to increasing friendship between our two peoples. We firmly believe that Sino-Korean friendship will roll on incessantly like the surging Yalujiang, and will pass on from generation to generation.

Yang Shangkun Plants Tree at Mangyongdae
OW1009132988 Beijing XINHUA in English
1207 GMT 10 Sep 88

[Text] Pyongyang, September 10 (XINHUA)—Visiting Chinese President Yang Shangkun today planted a pine tree symbolizing friendship between China and the Democratic People's Republic of Korea (DPRK) at Mangyongdae, about 20 kilometers southwest of the capital.

Yang also visited the former residence of DPRK President Kim Il-song in Mangyongdae, where the Korean leader was born on April 15, 1912, and spent his childhood.

Chong Chun-ki, alternate member of the Political Bureau of the Korean Workers' Party Central Committee and vice premier of the administration council, accompanied Yang on the visit.

Yang, who arrived here Tuesday at the head of a Chinese party and government delegation to attend the celebrations of the DPRK's 40th birthday, will leave for home on Sunday.

Provinces Mark DPRK Founding Anniversary

Jilin Sends Telegrams

SK1109013188 Changchun Jilin Provincial Service in Mandarin 2100 GMT 8 Sep 88

[Text] This year, 9 September marks the 40th founding anniversary of the DPRK. The Jilin Provincial Sino-Korean Friendship Association sent telegrams to the Yanggang, Chagang, and North Hamgyong provincial committees for friendship between Korea and China to extend warm and festive congratulations to the Korean people. In the congratulatory telegrams, the Jilin Provincial Sino-Korean Friendship Association praised the DPRK people for the great achievements they have scored in socialist revolution and construction under the brilliant leadership of their own great leader, Kim Il-song, and the Workers Party of Korea; cordially wished the Korean people to win new victory in realizing the magnificent goals of socialist revolution and construction and in the struggle for the peaceful reunification of the fatherland through their own efforts; and wished that the great friendship between Chinese and Korean peoples cemented with blood may last forever.

Liaoning Celebrates

SK1009115988 Shenyang Liaoning Provincial Service in Mandarin 2200 7 Sep 88

[Text] On 7 September the Liaoning Provincial People's Association for Friendship With Foreign Countries and the Liaoning Provincial China-Korea Friendship Association jointly held a reception at the Shenyang Phoenix Hotel to warmly celebrate the 40th anniversary of the founding of the DPRK.

Attending the reception were some leaders of the province and Shenyang City, including Chen Suzhi, [name indistinct], Zhang Tiejun, Cheng Jinxiang, and [names indistinct]. Also attending the reception were Yu Man-pok, consul general of the Korean Consulate in Shenyang, and his wife; consuls of the general consulate and their wives, and Korean personnel working in Shenyang.

On behalf of the Liaoning People's Association for Friendship With Foreign Countries and the Liaoning China-Korea Friendship Association, Zhang Tiejun, vice chairman of the Standing Committee of the provincial People's Congress and president of the provincial people's Association for Friendship With Foreign Countries, extended cordial regards and warm festive greetings to the Korean [words indistinct] and the Korean comrades of various circles.

Yu Man-pok, consul general of the Korean consulate in Shenyang, made a speech at the reception.

Sino-DPRK Border Trade Fosters Friendship

OW1309035988 Beijing XINHUA Domestic Service in Chinese 1541 GMT 11 Sep 88

[By correspondent Zhao Dean]

[Excerpt] Shenyang, 11 Sep (XINHUA)—According to Liaoning's Border Trading Company, the traditional Sino-Korean border trade has seen another new development in recent years. According to estimates, every day, an average of 50 persons from both sides of the border pass through customs. People who live in China bring aquatic, artificial leather, and aluminum products into China, and take daily necessities, foodstuffs, Chinese medicines, and bicycles to Korea.

The Liaoning Border Trading Company said both sides benefit from such border transactions. By the end of 1987, China's border trade with Korea reached 110 million renminbi. Border trade not only helps expand bilateral economic cooperation, but also further strengthens the friendship between the two peoples. [passage omitted]

DPRK To Build Power Plant on Yalu River

OW1109090688 Beijing XINHUA Domestic Service in Chinese 1409 GMT 2 Sep 88

[Newsletter by Xinhua reporter Zhu Kechuan]

[Excerpts] 2 Sep (XINHUA)—An 800-kilometer river lies on the border between China and the Democratic People's Republic of Korea (DPRK). It originates from the famous Tianci of Changbai Shan and runs southwestward to Huang Hai, passing through China's Jilin and Liaoning Provinces, DPRK's Yanggang, Chagang, and Pyongan Pukto, and China's border city of Dandong and DPRK's border city of Sinuiju. This is the Yalu River, a river which has been hailed as a symbol of friendship between the Chinese and Korean people. [passage omitted]

The fourth hydropower station on the Yalu River is located at Laohushao in Jilin's Jian County. But, part of the power station is located at Hyangwon in Chagangto on the Korean side. It is therefore called the Hyangwon power station. The power station was put into partial operation on 29 August this year. Its power generating capacity will reach 390,000 kilowatts when it becomes completely operational. [passage omitted]

According to a specialists' survey, the Yalu River has a hydropower potential of 2.25 million kilowatts, of which 1.61 million kilowatts have already been put into use. China and the DPRK are currently planning to build a 300,000-kilowatt and a 100,000-kilowatt power station, respectively, in Linjiang in China's Jilin Province, and in Uiju in DPRK's Pyongan Pukto. When these 2 power stations are completed, more than 90 percent of the Yalu River's hydropower potential will be utilized. It is rarely seen in the world that two countries make such full use of the water resources of a common river. This is the

fruitful result of the good-neighbor policy adopted by the two countries. The four completed power stations on the Yalu River are like four bright pearls shining with the radiance of Chinese-Korean friendship, day and night.

China-Aided Paper Mill Opens in DPRK

OW0909120388 Beijing XINHUA in English
0629 GMT 9 Sep 88

[Text] Pyongyang, September 8 (XINHUA)—The Haeju paper mill in the Democratic People's Republic of Korea (DPRK), built with the help of China, today officially started production.

DPRK Vice-Premier Kim Hwang and Fu Zhongxin, economic counsellor of China's Embassy here, participated in the opening ceremony with some 2,000 Korean people.

The paper mill, which has an annual production capacity of 11,000 tons, was built with Chinese aid in accordance with an agreement on economic and technological cooperation between the two countries.

The mill, with all its equipment supplied by China, began construction in June 1981 and went into trial production in June 1986.

Commentary on Sino-Japanese Cultural Exchanges

OW1309012688 Beijing in Japanese to Japan
0930 GMT 11 Sep 88

[Commentary: "A New Page in the Long and Winding Road of Sino-Japanese Cultural Exchange"]

[Text] During his visit to China last month, Japan's Prime Minister Takeshita became the first foreign leader to travel to Dunhuang, a well-known stop on the Silk Road, and China's ancient capital of Xian. In Dunhuang, he stated that Dunhuang was one of the centers of East-West cultural and material exchange; it is also the starting point of Japanese culture. It seems that the recent trip to Dunhuang was a very memorable one that will never be forgotten for Prime Minister Takeshita.

Before coming to China, Prime Minister Takeshita indicated that the Japanese Government would like to assist China in its efforts to preserve the cultural relics in Dunhuang. In Xian, he gave a commemorative speech in which he proposed youth exchange, academic exchange, and the preservation of cultural relics. Such words and deeds by Prime Minister Takeshita have opened up a new page in the long history of Sino-Japanese cultural exchange.

Incidentally, after Japan and China normalized diplomatic relations 16 years ago in 1972, cultural exchanges between the two countries have developed steadily. At present, such exchanges go through multiple channels, are widespread, are rich in variety, and are full of vitality. In recent years, China has sent more than 100

cultural groups and exhibitions to Japan each year. A similar number of cultural groups from Japan visit China every year. Chinese Beijing Opera and acrobatics are greatly welcomed in Japan. The Japanese audience has also learned to enjoy a form of Chinese comic dialogue called "Xiangsheng," Jiangsu Opera, and folk arts such as pantomime.

On the other hand, Japanese "ikebana," tea ceremonies, and "kabuki" have also become popular with the Chinese people. In recent years, Chinese cultural circles have held the Palace Museum exhibition, the Yellow River civilization exhibit, and Dunhuang and the Western Xia Kingdom exhibit in Japan. Many Japanese artists and calligraphers, led by former Prime Minister Miki and his wife, have also held exhibits in China. Very recently, it was reported that Japanese cultural circles are raising funds to build a museum of modern Chinese art in Nagano Prefecture by the end of this year. Furthermore, exchanges in the art of "go" and sports have been frequent. The PRC-Japan Super "Go" Tournament has been held four times. This year, a shadow boxing exchange with 600 participants was held in Beijing. Exchanges of visits in the fields of volleyball, baseball, and mountaineering are in progress.

Exchanges in the field of education have also shown rapid development. During the decade from 1978 to 1987, personnel exchanges between the two countries have grown more than 10 times. Last year, nearly 500,000 people exchanged visits. There are around 17,000 Chinese students studying in Japan. On the other hand, Japanese students undertaking long-term studies in the PRC number 2,600. In addition, each year, 1,500 Japanese students come to China to undergo short-term Chinese language training. Furthermore, exchanges and cooperation in the fields of social sciences, journalism, and publishing have become very active. The Sino-Japanese Economic and Academic Symposium has been held a total of four times in both countries. Books such as "Chinese-Japanese Dictionary of Economics," "Travel in China," "Museums in China," "Modern Japanese-Chinese Dictionary" and "Modern Chinese-Japanese Dictionary" have been published under the cooperation of the two countries.

This year marks the 10th anniversary of the signing of the Sino-Japanese Treaty of Peace and Friendship. Bilateral cultural exchanges are expected to develop at an unprecedented pace. Prime Minister Takeshita's visit created a new starting point in the development of Sino-Japanese relations. With this, a new and wider horizon in Sino-Japanese cultural exchanges which facilitates heart-to-heart contact between the two peoples is sure to come.

Wang Zhen Meets Japanese Cultural Delegation

OW1109144188 Beijing in Japanese to Japan
0930 GMT 10 Sep 88

[Text] Wang Zhen, vice president of the state and honorary president of the China-Japan Friendship Association [CJFA], met with representatives of a delegation

of the Japanese Cultural Property Protection Foundation [JCPPF] led by Rokuro Ishikawa, its director, at the Great Hall of the People in Beijing last evening.

On behalf of the Chinese Government and the CJFA, Vice President Wang Zhen extended a hearty welcome to the delegation, which is made up of some 60 prominent figures from both financial and cultural circles, on its visit to China and inspection tour of Dunhuang. He added: China is a nation which abounds in excellent cultural remains and the Dunhuang culture is an excellent example. Prime Minister Takeshita visited China in late August, and his inspection visit to Dunhuang was welcomed by the people and members of academic circles of both nations. Cultural exchanges among various countries are of great significance to the promotion of development and peace in the world. Therefore, the JCPPF delegation's current visit to China will further promote cultural exchanges and friendship between China and Japan.

In reply, delegation leader Rokuro Ishikawa stated that the JCPPF, as a private organization, is making efforts to protect cultural properties both at home and abroad and that the foundation intends to contribute to the promotion of cultural exchanges between China and Japan. After the meeting, the CJFA held a party in honor of the members of the JCPPF delegation.

Song Ping Hosts Luncheon for Japanese Socialists

OW1209090588 Beijing XINHUA in English
0740 GMT 12 Sep 88

[Text] Beijing, September 12 (XINHUA)—Song Ping, member of the Political Bureau of the Chinese Communist Party Central Committee, met with and gave a luncheon for Tsuruo Yamaguchi, secretary-general of the Socialist Party of Japan, and his party here today.

The Japanese guests arrived here on their way home after attending the celebrations for the 40th founding anniversary of the Democratic People's Republic of Korea.

NPC Science Delegation Ends Japan Visit

OW1209153088 Beijing XINHUA in English
1335 GMT 12 Sep 88

[Text] Tokyo, September 12 (XINHUA)—A science and technology delegation of the Standing Committee of China's National People's Congress (NPC) left here for home today after a week-long visit to Japan.

The delegation, led by Hu Keshi, vice-chairman of the Education, Science, Culture and Public Health Committee of the Standing Committee of the NPC, visited Japan at the invitation of the Japanese Dietmen's Exchange Association for Japan-China Science and Technology.

During the visit beginning September 4, the Chinese NPC delegates and their Japanese counterparts exchanged views on the development strategy of science and technology, nuclear utilization, nuclear safety, and technology on astro-navigation and biology.

Kenichiro Otsubo, chairman of the Committee for Science and Technology of the Japanese House of Representatives, told reporters that he hoped the Chinese NPC Science and Technology Committee and his committee will pay mutual visits and make other exchanges regularly in order to strengthen their cooperation.

Gu Mu Meets With Japanese Canon Delegation

OW1009090788 Beijing XINHUA in English
0714 GMT 10 Sep 88

[Text] Beijing, September 10 (XINHUA)—Foreign-funded joint-ventures or cooperations can be set up for 30, 50 or even longer periods, a ranking Chinese official told a group of Japanese businessmen today.

During a meeting with a delegation of the Japanese Canon Inc. Gu Mu, vice-chairman of the National Committee of the Chinese People's Political Consultative Conference, said he hoped more Japanese entrepreneurs will come to China.

Canon has been a pioneer in this area with joint-ventures in Tianjin and Zhanjiang and plans to conduct more cooperative projects in Dalian, Nanjing and Beijing.

Canon President Ryuzaburo Kaku, a member of the delegation, said his company is exploring setting up joint-ventures or cooperative enterprises to produce optical lenses and fax machines in Dalian's economic-technological development zone.

The delegation is in China as guests of the China-Japan Friendship Association to look into opportunities in the coastal cities of Dalian, Qingdao and Shanghai.

Li Ruihuan Meets With Japanese Businessmen

SK0809041988 Tianjin TIANJIN RIBAO
in Chinese 25 Aug 88 p 1

[Text] On the evening of 24 August at Kaiyue Hotel, Li Ruihuan, mayor of Tianjin Municipality, met with (Takaoka Minoruaki), president of the Japanese (Nishiari) corporation, and his party; and expressed his welcome to the Japanese friends.

At the meeting, Mayor Li Ruihuan said: The sphere of cooperation between China and Japan is extremely wide. While developing mutual friendship ties, we not only never forget old friends but also pay full attention to new friends. He believed that President (Takaoka Minoruaki's) visit will further promote cooperation and exchange between two sides. (Takaoka Minoruaki), who

visited Tianjin for the first time, introduced his impression on Tianjin; and expressed that he would properly strive to develop cooperation between the two sides.

Zhang Zhaoruo, vice mayor of the municipality; and Zhang Wei, chairman of the municipal commission for foreign economic relations and trade attended the meeting.

Shaanxi Province Receives Japanese Investments
HK0809095788 Beijing CEI Database in English
8 Sep 88

[Text] Xian (CEI)—Shaanxi Province will use Japanese loans in seven projects, disclosed a Japanese official who visited China with Japanese Prime Minister Noboru Takeshita recently.

The projects include Baoji-Zhongchong Railway, railway from Shenfu coal mine to coastal ports, Xian-Ankang Railway, Xianyang International Airport control system, the program-controlled telephone equipment of Xian City, the Xian Heihe River diversion works and Weihe Chemical Fertilizer Plant.

According to relevant officials, Shaanxi Province and Japanese firms are negotiating on some other cooperative items.

Jiangsu Begins Container Service to Kobe
HK0709123788 Beijing CEI Database in English
7 Sep 88

[Text] Nanjing (CEI)—Regular container freight from Lianyungang port at the northeastern tip of Jiangsu Province to the Japanese port of Kobe has started after two test sailings.

The Shanghai Ocean Shipping Company contracted the container freight scheduled to deliver 50 standard containers once every month leaving Lianyungang on the 27th of the month.

Mongolian People's Hural Delegation Arrives
OW1209160688 Beijing XINHUA in English
0845 GMT 12 Sep 88

[Text] Beijing, September 12 (XINHUA)—A delegation of the Great People's Hural of Mongolia headed by Chairman L. Rinchin arrived here this afternoon for a goodwill visit to China at the invitation of the Standing Committee of the Chinese National People's Congress (NPC).

This is the first Mongolian parliament delegation to visit China since 1960 and also a return visit for that made by a NPC delegation led by Vice-Chairman Peng Chong of the NPC Standing Committee last year.

Greeting the delegation at the airport were Peng Chong and Fu Hao, vice-chairman and member of the NPC Standing Committee; Batubagen, chairman of the Standing Committee of the People's Congress of the Inner Mongolia Autonomous Region; as well as Mongolian Ambassador to China Yondongiyn Ochir.

Hong Kong, Taiwan Businessmen Win Xiamen Bidding
OW1109143388 Beijing XINHUA in English
1304 GMT 11 Sep 88

[Text] Xiamen, September 11 (XINHUA)—Two Hong Kong firms and one Taiwan businessman have won the land use rights of four plots in Xiamen City, East China's Fujian Province.

The land use rights of the four plots totalling 19,180 square meters were auctioned at a total of 23.4 Million yuan yesterday. The successful bidders were the Hong Kong Tian An China Development Co. Ltd., Sino Land Company Ltd. and a businessman from Taiwan.

The land use terms for the four plots range between 50 and 70 years. Situated in the downtown area, they will be used for building shops, hotels and apartments, according to Xie Kewen, deputy director of the city's Land Bureau.

All together 19 real estate businessmen from the Chinese mainland, Hong Kong, Taiwan, Japan and other countries competed in the bidding, he said.

Yang Shangkun, Others in DPRK on 40th Anniversary

For media accounts of the visits to the DPRK by Yang Shangkun, member of the Political Bureau of the Central Committee of the CPC and president of the PRC; Qian Qichen, member of the CPC Central Committee and foreign minister; Yan Mingfu, member of the Secretariat of the CPC Central Committee; Chi Haotian, member of the CPC Central Committee and chief of the General Staff of the PLA; and Zhu Shanqing, deputy head of the International Liaison Department of the CPC Central Committee, including their arrival and talks with Kim Il-song, president of the DPRK and general secretary of the Workers Party of Korea, please see the North Korea section of the 7 September DAILY REPORT and subsequent issues.

Southeast Asia & Pacific

Ministry Spokesman Cited on Burma Situation
BK0909150988 Beijing International Service
in Burmese 1130 GMT 9 Sep 88

[Text] Replying to a reporter's question regarding Burma's situation at a news briefing held yesterday, a Chinese Foreign Ministry spokesman said Burma is a neighboring country, the peoples of the two countries enjoy traditional kindred friendship, and we are concerned by the present developments in Burma.

We hope that the problems will be settled properly at an early date, that peace and stability will prevail, and that the economy will be developed and people's livelihood improved.

Further Developments Reported in Burma

Congress Calls Elections

OW1109134988 Beijing XINHUA in English
0844 GMT 11 Sep 88

[Text] Rangoon, September 11 (XINHUA)—The Burmese People's Congress decided to hold general elections under a multi-party system in its emergency session held here this morning.

The Congress decided that the general elections will be held within three months from today.

The Congress empowered the Council of State to amend some parts of the present Constitution.

The Congress also formed a five-member commission to supervise the elections. The five are famous but not incumbent officials.

Meanwhile, the Congress empowered the Council of State to increase membership of the election commission. This means that opposition persons and other famous persons can be invited to join the commission.

President Dr. Maung Maung delivered a speech at the emergency session of the People's Congress which ended this morning.

A well-informed source said that the Congress's decisions will not be accepted by demonstrators, because the demonstrators also demanded forming an interim government.

Hunger Strike Starts in Rangoon

OW1109154588 Beijing XINHUA in English
1459 GMT 11 Sep 88

[Text] Rangoon, September 11 (XINHUA)—Over 1,000 people, mostly students, have begun a 36-hour hunger strike in the compound of the Rangoon general hospital in the Burmese capital.

The hunger strike, started at 8:00 (local time) this morning, was sponsored by the Central Committee for Forming an All-Burma Students Federation and the Students Union of Rangoon University and institutes in Rangoon.

Some students said that they went on the hunger strike for democracy, which the people demand, and to press for the formation of an interim government as soon as possible.

The hunger strike is the first since anti-government demonstrations surged in Rangoon in the past few weeks.

Among the hunger strikers are also nurses, monks, lawyers and artists.

Interim Government Demanded

OW1209120788 Beijing XINHUA in English
1140 GMT 12 Sep 88

[Text] Rangoon, September 12 (XINHUA)—Burmese opposition leaders Daw Aung San Suu Kyi, former Defense Minister general Tin U and former vice chief of staff of defense services Brigadier General Aung Gyi today called for formation of an interim government.

The three opposition leaders sent a jointly signed letter to Burmese President Dr Maung Maung this morning.

The letter said that the present situation in Burma is that "government administrative machinery has stopped working, the people's living is facing crisis, commodity prices are rising, Rangoon lacks security and everybody is worried."

It also said that "election can not be held in a situation which is deteriorating hour by hour." "There is no alternative but to form an interim government as desired by the people."

"The people have no trust in the present government. They will also not accept and trust an election sponsored by a government-formed commission. Once an interim government is formed, the demonstrations and strikes will come to an end and the situation will return to normal," the letter added.

"Therefore, in order to rehabilitate the economy, to reconstruct democracy and to hold the election, the formation of an interim government is a must. As the situation is going from bad to worse hour by hour, we demand the immediate formation of an interim government," the letter said.

Meanwhile, in Rangoon, the general strike continued for the fifth day today and tens of thousands of people held a peaceful demonstration, demanding that an interim government be formed so that general elections based on a multi-party system could be held.

The principle of holding general elections on the basis of a multi-party system was accepted by the extraordinary congress of the ruling Burma Socialist Program Party last Saturday (September 10). It was approved by the emergency session of the People's Congress on Sunday as well.

At the People's Congress session yesterday, a five-member commission to supervise the election was formed by the government. The Election Commission consists of some well known personages who are not holding government posts.

Singapore's Lee Kuan Yew on Economic Cooperation
OW'309074188 Beijing XINHUA in English
0705 GMT 13 Sep 88

["Singapore, China Have Good Prospects in Economic Cooperation, Says Singapore Prime Minister (by Li Yongming)"]—XINHUA headline]

[Text] Singapore, September 12 (XINHUA)—Singapore Prime Minister Lee Kuan Yew said today that Singapore and China have good prospects in their economic cooperation, and as Singapore is becoming a regional business hub, opportunities for economic cooperation between the two countries will increase.

Lee Kuan Yew made his remarks in an interview with XINHUA in the prime minister's office this afternoon on the eve of his eight-day official visit to China from September 14 to 22 at the invitation of the Chinese Government.

"My last visit was in September 1985. This visit will enable me to bring myself up-to-date with the changes in the leadership and to see for myself the rapid developments in the economic and social sectors of China," he said.

The prime minister said Singapore's international business strategy is to become a business hub to provide services for the region. "Foreign companies are encouraged to come here to do business with countries in this region."

He said more and more Chinese representatives have visited Singapore for this purpose. China has also set up its companies in Singapore, which include nine joint-venture trading companies.

He noted that the trade volume between Singapore and China is increasing day by day. The trade volume in 1987 was 4.5 billion Singapore dollars (about 2.25 billion U.S. dollars) while it was only one-fourths of the this figure ten years ago. Singapore has invested in and negotiated investment with over 20 hotel projects in China. Singapore is also participating in 13 China-Singapore infrastructure projects and 12 China-Singapore construction engineering projects in China, he added.

Turning to the experience and lessons in Singapore's economic development, the prime minister pointed out that Singapore's experience is unsuitable for a country with large-scale agriculture as a basis. Singapore's development experience can offer reference for China's 14 open coastal cities, but not very useful for its five special economic zones, he said.

Asked what measures Singapore took to deal with the economic recession in 1985, Lee stressed that two main measures were taken in this aspect, the reduction of cost and the increase of competitiveness of products. He said

"We reduced taxes, fees, electricity and water rates, rents and wages. Consequently, the cost of doing business and the unit labour cost came down. Our exports became more competitive than those from Hong Kong, Taiwan and South Korea," he said.

On Singapore's service-oriented economy, he said services in Singapore's finance, banking, transport and communications constitute about 38 percent of the economy at present. "We expect this proportion to go up to 44 percent by the turn of the century," he said.

Baoshan Oil Pipes Exported to Singapore
HK1209150788 Beijing CEI Database in English
12 Sep 88

[Text] Shanghai (CEI)—345 reinforced oil pipes are being shipped from China's Baoshan iron and steel complex to Singapore, to be used in deep-well extraction.

This is the first time for Baoshan, also for China, to export such pipes.

According to an agreement between the complex and a U.S. company, the first batch of pipes to be exported includes 31 tons of N80 pipes, each with a diameter of 73 millimeters and a length of nine meters.

The world-famous Vetco Company has examined the quality of the pipes and believes they are up to the standard.

Vice Foreign Minister Liu Shuqing Visits Thailand

Meets Thai Foreign Minister
OW0709214788 Beijing XINHUA in English
1821 GMT 7 Sep 88

[Text] Bangkok, September 7 (XINHUA)—Thai Foreign Minister Sitthi Savetsila met visiting Chinese Vice-Foreign Minister Liu Shuqing here this afternoon.

Foreign Ministry spokesman Sarot Chawanawirat told reporters after the meeting that the two sides mainly exchanged views on the question concerning the settlement of the Kampuchean problem.

Saraj said the two sides held that the Vietnamese troop withdrawal from Kampuchea is a key to the solution of the problem.

He said Sitthi expressed his doubt at the Vietnamese announcement that 50,000 Vietnamese troops will be withdrawn from Kampuchea this year. There are only three months left this year but Vietnam has only pulled out its command headquarters from Kampuchea while leaving its combat forces there. Sitthi noted, adding that Thailand wants to see real Vietnamese troops withdrawal from Kampuchea which is the most important factor conducive to the solution of the Kampuchean problem.

The Chinese vice-foreign minister, who arrived here yesterday, also held talks with Thai Under-Secretary of state of the Foreign Ministry Kasem S. Kasemsri.

Saraj told pressmen that the Kampuchean problem was the main topic of their talks. They also discussed matters about the draft resolution on the Kampuchean problem to be submitted by the ASEAN countries to the forthcoming session of the U.N. General Assembly, he added.

The draft resolution will adhere to the principle of demanding the withdrawal of Vietnamese troops from Kampuchea, he said.

Meets Thai Prime Minister

OW0809225888 Beijing XINHUA in English
1536 GMT 8 Sep 88

[Text] Bangkok, September 8 (XINHUA)—Thai Prime Minister Chatchai Chunhawan met visiting Chinese Vice Foreign Minister Liu Shuqing here today.

During the meeting the two sides exchanged views on bilateral relations and the Kampuchean problem.

Liu conveyed Chinese leaders' regards and congratulations to Chatchai on his taking the premiership, and praised him for his contribution to the development of Sino-Thai friendship and cooperation.

Referring to the Kampuchean problem, Chatchai said, "I hope that the Kampuchean problem will be solved as soon as possible and that the battlefield of Kampuchea will be turned into a market. But on no account should the Vietnamese be allowed to come to this market with guns. Therefore the Vietnamese should pull out their troops from Kampuchea as soon as possible."

NPC Official Meets Thai Senate Committee Group

OW0909154488 Beijing XINHUA in English
1203 GMT 9 Sep 88

[Text] Beijing, September 9 (XINHUA)—China has decided to focus on developing various forms of high technology serving to shape or promote new industries, a legislator in charge of science and technology said here today.

The development will be mainly focussed on the fields of biology, information, automation, energy development, raw materials, space technology and lasers, said Zhang Chengxian on meeting a 13-member delegation from Thailand, headed by Sa-nga Sabhasri, chairman of the Thai Senate's Committee on Science, Technology and Energy.

Meanwhile, China will also improve its work in basic and applied research in science and technology, which is essential to developing the country's national economy, said Zhang, a member of the National People's Congress (NPC) Standing Committee.

Zhang is also vice-chairman of the NPC's Education, Science, Culture and Public Health Committee.

He said that China has adopted a series of measures including relaxing controls on technology markets to overcome the separation between science and production.

Some 5,000 state-owned institutions of various kinds and about 10,000 private firms have been set up in the country to develop technology.

The Thai delegation arrived here Thursday [8 September].

Shandong Vice Governor Meets Thai Delegation

SK1009113988 Jinan Shandong Provincial Service
in Mandarin 2200 GMT 9 Sep 88

[Text] On the evening of 9 September, Vice Governor Ma Shizhong cordially met at the Qilu Guesthouse in Jinan with a visiting delegation from the Thai-Sino Chamber of Commerce for Promoting Investment and Trade. The delegation is led by (Lin Binghe), vice president of the Thai-Sino Friendship Association. At the meeting, Vice Governor Ma Shizhong welcomed the guests.

The Thai-Sino Chamber of Commerce for Promoting Investment and Trade was established in March 1986. Its aim is to promote investment and trade between the two countries. The purpose of the delegation's visit to our province is to conduct further economic observation, to realize our potential for foreign investment, and to hold talks on the relevant investment and cooperation items.

During the meeting, Vice Governor Ma Shizhong briefed the guests on our province's economic development situation and opening to the outside world. He expressed hope that friends from various countries and Chinese compatriots from abroad will come to the province to invest and run enterprises and will strengthen economic, technological, and trade cooperation.

The 14-member delegation visiting China from the Thai-Sino Chamber of Commerce for Promoting Investment and Trade arrived in Jinan on 8 September via the cities of Qingdao and Zibo.

Wan Li Hosts Thai Assembly Delegation Dinner

OW1209171588 Beijing XINHUA in English
1602 GMT 12 Sep 88

[Text] Beijing, September 12 (XINHUA)—Chairman Wan Li of the Chinese National People's Congress (NPC) Standing Committee hosted a dinner here tonight in honor of a delegation of the National Assembly of Thailand headed by Dr. Ukrit Mongkhonawin, president of the National Assembly and speaker of the senate.

Proposing a toast, Wan said that the NPC would join hands with the Thai National Assembly in furthering cooperation between the two countries in various fields and deepening friendship between the two peoples.

Describing Ukrit as "an old friend" of the Chinese people, Wan expressed the conviction that the visit of the delegation would contribute to mutual understanding and friendly ties between the NPC and the Thai National Assembly.

Wan praised Thailand for its successes in political, economic and cultural fields. He described as "rapid, all-round and deep-seated" the development of Sino-Thai relations since the establishment of diplomatic relations in 1975. "A relationship of mutual trust has been built between leaders of the two countries who have visited one another frequently. And our two sides have conducted fruitful cooperation in bilateral exchanges and in international affairs," Wan Li said.

He added that to consolidate and strengthen such a relationship is in accord with the common desire of the Chinese and Thai people and useful to peace and stability in Southeast Asia.

In reply, Ukrit said that he was overwhelmed by a special feeling the moment he arrived in Beijing earlier today because, in his eyes, Thailand and China are like brothers.

China is the only country he has visited twice since he became the Thai National Assembly president five years ago, although he has visited well over 20 countries.

He said he shared the wish of the Thai people and the Thai Government that Thailand and China develop rapidly and secure a better life for the two peoples.

In a brief conversation prior to the dinner, Ukrit invited Wan Li to visit Thailand. Wan accepted the invitation.

Present at the dinner and the meeting was NPC Vice-Chairman Ngapoi Ngawang Jigme.

Health Minister Opens Manila WHO Session
OW1209123788 Beijing XINHUA in English
0704 GMT 12 Sep 88

[Text] Manila, September 12 (XINHUA)—The 39th annual session of the World Health Organization Regional Committee for Western Pacific opened in Manila today.

Over 90 representatives from all the 24 member states of WHO in the region, as well as 26 representatives of the United Nations and related organizations and non-governmental organizations attended the five-day meeting.

Professor Chen Minzhang, minister of public health of China, chairman of the 38th session, declared the meeting open. In his opening remarks, he said that the

regional office of WHO had made great progress in the past years in many fields such as rationalization of the health workforce, application of primary health care as the basis of health system and the development of emphasis on realistic technology transfer.

Then the participants elected Dr Fred Timakata, minister of health of Vanuatu, chairman of the 39th session.

The annual report of the WHO regional director was presented by Dr Sang Tae Han, special representative of the regional director general Hiroshi Nakajima. Nakajima has become the director general of WHO with its headquarters in Geneva.

Dr Han said in the report that the WHO activities focused on development of district health system, reorientation of training curricula towards primary health care, and information exchange to accelerate the expansion of primary health care. These activities contributed directly to building national and local self-reliance.

He noted that research and training in traditional medicine have made significant progress, particularly through technical cooperation among countries, a good example of which is the acupuncture training in Papua New Guinea held in cooperation with China.

Technical cooperation among ASEAN countries in the drug supply and quality assurance has been pursued energetically he said.

He stated that with the transfer of technology for large-scale Hepatitis B vaccine production to China, and with the establishment of a Hepatitis B plasma collection system in four South Pacific countries, it is now possible to include Hepatitis B in the target diseases of the immunization program in the region.

Dr Han drew attention to diseases related to lifestyle and behavior, such as cancer, heart attack, stroke and drug abuse, and to increased air and water pollution, industrial accidents and chemical safety issues. These are among the areas requiring more concern in the region, he said.

Representatives from the Republic of Marshall Islands and Federated States of Micronesia attended the session as observers.

'News Analysis' on 'Confrontation on Philippines'
OW0509140688 Beijing XINHUA in English
0816 GMT 5 Sep 88

["News Analysis: Situation of Tripartite Confrontation on Philippines' Political Arena (by Zhai Shuyao)"]—XINHUA headline]

[Text] Manila, September 5 (XINHUA)—A situation of tripartite confrontation is taking shape on the Philippines' political arena as political parties are realigning themselves into three major groups based on their different stands on some issues affecting the country.

Two alliances are emerging among the political parties of the ruling coalition of President Corazon Aquino, while the opposition parties have just regrouped into a single coalition—the Union for National Action (UNA).

The ruling coalition is divided between the LDP (Laban Ng Demokratikong Pilipino or Struggle of the Democratic Filipino) on the one side, and the LP-PDP-Laban-NUCD-Bandila Alliance on the other.

The LDP is envisioned as the single administration party out of the merger of three largest Aquino-supportive political parties in the ruling coalition: the Lakas Ng Bansa (People's Power); the bigger faction of the PDP-Laban (Philippine Democratic Party-Laban Party); and the majority of the members of the United Nationalist Democratic Organization (UNIDO).

As a trusted follower of President Aquino, the LDP is expected to become the "mainstream" force in the ruling coalition. It has won the support of most of the 203 members of the House of Representatives and the majority of provincial governors and city mayors. House Speaker Ramon Mitra will likely assume the leadership of the new administration party.

The formation of the LDP is being perceived as somewhat the preparation of several political personalities in the ruling coalition for their candidates in the 1992 presidential election.

The LDP is scheduled to hold its national convention in mid-September.

The LP-PDP-Laban-NUCD-Bandila Alliance is opposing the formation of a single administration party, arguing that it violates the constitutional provision on multi-party system.

Headed by Senate President and Liberal Party leader Jovito Salonga, the LP-PDP-Laban-NUCD-Bandila Alliance enjoys support from most of the 23 senators. It is an alliance of the Liberal Party (LP), the smaller faction of the PDP-Laban (Philippine Democratic Party-Laban Party), the National Union of Christian Democrats (NUCD) and Bandila (an alliance of "moderate" groups).

It has several possible presidential contenders including Jovito Salonga (LP president), Senator Aquilino Pimentel (head of the PDP-Laban smaller faction); Foreign Affairs Secretary Raul Manglapus (NUCD president); and Senator Agapito Aquino (Bandila president).

The opposition UNA is composed of the reunited factions of the Nacionalista Party, a faction of the UNIDO, the grand alliance for democracy, the Muslim Federal Party, the Mindanao Alliance and several other smaller parties.

The UNA is headed by Vice-President Salvador Laurel, who has just broken away from the ruling coalition. Senate Minority Floor Leader Juan Ponce Enrile, the lone opposition senator, is vice-chairman of the UNA.

As the UNA's ten-point "Program of Government" is seen by some people here as lacking concrete, realistic and attractive programs, and as part of its members were associated with deposed President Ferdinand Marcos, the opposition coalition has not yet won as many followers as it expected.

The UNA has two possible presidential contenders: Laurel and Enrile.

The realignment of the political parties is regarded here as a move in preparation for the 1992 presidential election when President Aquino finishes her six-year term of office.

Observers here are of the opinion that there seem to be no fundamental differences among the three sectors of the political elite in strategy and in principle. There might be divergence of views in terms of tactics in dealing with some problems besetting the country, such as how to handle the issue of the U.S. military bases in the Philippines.

The LDP and the LP-PDP-Laban-NUCD-Bandila Alliance both support the minimum program of government of the Aquino administration, but they have differences concerning the military bases issue.

The LDP has taken the "options open" policy of President Aquino on the issue of the U.S. bases, while the LP-PDP-Laban-NUCD-Bandila has been opposing the retention of the U.S. bases beyond the 1991 termination of the Philippines-U.S. military Bases Agreement.

The UNA has called for the retention of the U.S. bases beyond 1991, but subject to several conditions, including the drafting of a new bases treaty with a limitation to ten years.

News analysts here said that the emergence of a unified opposition party and a splinter group from the ruling coalition mean that the Aquino administration is now facing a stronger opposition and a dissident group from within in carrying out its domestic and foreign policies and in handling the various substantive issues affecting the stability of the country.

Heavy Losses in Vietnam's Foreign Trade Viewed
OW0909015088 Beijing XINHUA in English
1348 GMT 8 Sep 88

["Vietnam's Foreign Trade in a Predicament"—XINHUA headline]

[Text] Hanoi, September 8 (XINHUA)—The more Vietnam exports to the Soviet Union and other rupee countries, [as received] the heavier are its losses, resulting in

more government expenditures to cover the deficits, an article in the latest issue of TAP CHI CONG SAN (COMMUNISM), the official magazine of the Vietnamese Communist Party, complains.

The reason is the inappropriate exchange price of rupee to dong (Vietnamese monetary unit). The official exchange rate is 1 (rupee) to 150 (dong), while it is ten times higher on free markets.

A looser control by the government encourages provincial foreign trade departments to do business with dollar countries, affecting the trade with rupee nations, the article said.

But the article also admitted that Vietnam's trade with capitalist countries is important, and that lots of difficulties emerging in enterprise reproduction could not be solved unless there is a certain amount of free foreign currency.

New Australian Ambassador Meets Tianjin Leader
SK1109070788 Tianjin TIANJIN RIPA0 in Chinese
27 Aug 88 p 1

[Text] Yesterday evening, Mayor Li Ruihuan met with Mr Sadleri, the new Australian ambassador to China, at the Kaiyue Hotel. The host and the guest held cordial talks.

Li Ruihuan said: Over the past few years, Tianjin has greatly developed friendly relations of cooperation with Australia. He believed that through the great efforts of Ambassador Sadleri, the friendly cooperative relations between both sides will be further improved. Ambassador Sadleri expressed his willingness to contribute to further developing bilateral cooperation and exchange.

Municipal Vice Mayor Zhang Zhaoruo and Zhang Wei, director of the Foreign Affairs Office of the municipal government, were also present at the meeting.

Cultural Exchanges With New Zealand To Expand
OW0609115688 Beijing XINHUA in English
0820 GMT 6 Sep 88

[Text] Wellington, September 6 (XINHUA)—New Zealand would send arts and cultural groups to China next year for the 40th anniversary of the founding of the People's Republic, to mark the beginning of an expanded exchange of arts and culture, according to New Zealand Arts and Culture Minister Michael Bassett.

Speaking to local reporters after his two-week visit to China where he held talks with Chinese Government ministers, Bassett also said that in 1990, China would reciprocate by sending a high quality performing arts group to take part in New Zealand's 150th anniversary.

He said during his visit, ways of expanding cultural links were discussed, including tours to New Zealand of performances and exhibitions.

He said China was also interested in developing closer ties between the film industries of the two countries.

Near East & South Asia

Bangladesh Seeks Five-Nation Meeting on Floods
OW1309005388 Beijing XINHUA in English
1841 GMT 12 Sep 88

[Text] Dhaka, September 12 (XINHUA)—Bangladesh President H.M. Ershad renewed his call for a meeting of experts of China, India, Nepal, Bhutan and Bangladesh to study the causes of recurring floods in the country.

Addressing a news conference here, Ershad put maximum stress on the role of the South Asian Association for Regional Cooperation (SAARC) to sponsor such a meeting that could explore ways of cooperation in combating floods.

He hoped that such experts meeting will provide substantial inputs to his country's efforts for prevention of disastrous floods and preservation of environment.

Ershad also appealed to the international community to cooperate with Bangladesh in this regard.

Bangladesh is a flood-prone nation. It lies in three river basins—the Ganges Basin, Meghna Basin and Brahmaputra Basin. All the three big rivers originate from the Himalayas.

In a normal year, about 18 percent of the country's total land is flooded. Floods last year took 2,055 lives and damaged 4.86 million acres of cropland.

The current devastating flood, which is said to be the worst ever in the country's history, has ravaged three-fourths of the country's areas, directly affecting 66 million people.

Flood Relief Aid Given to Bangladesh
OW1209154288 Beijing XINHUA in English
1232 GMT 12 Sep 88

[Text] Dhaka, September 12 (XINHUA)—China is sending three helicopters to help the Bangladesh Government in the flood relief operation, Information Minister Mahbubur Rahman said here today.

Rahman told the national news agency BSS that a Chinese transport plane will also come to Bangladesh with relief materials.

He said the Chinese helicopters will remain in the country as long as the Bangladesh Government requires them. This is the first time that China sends out helicopters for such operation, he added.

The current devastating flood, the worst ever in the country's history, swept three-fourths of the country, leaving 30 million people homeless and directly affecting the life of 66 million people.

West Europe

Cooperation Protocol Signed With FRG *OW1009185488 Beijing XINHUA in English* 1438 GMT 10 Sep 88

[Text] Beijing, September, 10 (XINHUA)—China and the Federal Republic of Germany (FRG) today signed a protocol on cooperation in the fields of ecological research and environmental technology, along with a summary of the eighth session of their joint committee for scientific and technological cooperation.

Signing the documents were Ruan Chongwu, vice-minister of the State Science and Technology Commission, and Dr Albert Probst, parliamentary secretary of state of the FRG Ministry for Research and Technology.

State Councillor Song Jian was present on the occasion and held a discussion with members of the visiting FRG delegation headed by Probst.

Both sides spoke highly of the "successful and effective cooperation" they have had since the two countries signed a treaty on science and technology cooperation in 1978.

Probst said he is particularly satisfied with the cooperation in space science and technology, adding that more possibilities should be explored in energy and other fields.

Song, also minister in charge of the State Science and Technology Commission, said cooperation in science and technology will enhance cooperation in industry, commerce and other sectors.

It was agreed at the recent meeting of the joint committee, which ended here today, that a celebration will be held in the FRG capital of Bonn later this year to mark the 10th anniversary of the Sino-FRG Treaty on Science and Technology Cooperation.

The German visitors are here as guests of the State Science and Technology Commission and will tour Guangzhou, Chengdu and Lhasa.

Vehicle Plant, Volkswagen To Coproduce Cars *HK1209150988 Beijing CEI Database in English* 12 Sep 88

[Text] Changchun (CEI)—China's Changchun No 1 Motor Vehicle Plant has signed a letter of intent in Wolfsburg, Federal Germany, with the Volkswagenwerk AG on a long-term cooperation project for jointly producing motor cars.

According to the document, the Changchun No 1 Motor Vehicle Plant will be licensed to produce Audi-100 cars, and its German partner will provide special tools, equipment and parts for the production. The annual producing capacity will be 30,000 by 1992.

The two sides also plan to set up a joint venture to produce 150,000 cars from 1996. Part of the cars will be sold in China and the rest will be exported.

Ecological Research Accord Signed With FRG *LD1109095088 Hamburg DPA in German* 0920 GMT 11 Sep 88

[Text] Beijing, (DPA)—The Federal Republic and the PRC have agreed to cooperate in ecological research and the development of environmental technology. The agreement between the Federal Ministry for Research and Technology and the PRC State Commission for Science and Technology was signed on Saturday in Beijing.

At the conclusion of the German-PRC Governmental Commission for Science and Technology session both sides stressed that the cooperation introduced in these areas 10 years ago is "successful and effective". German diplomats pointed in particular to the advances in cooperation in space projects.

For the first time, in August, German experiments (research into weightlessness) were transported into space as part of the cargo of a PRC satellite by means of a PRC rocket and were successfully brought back. In addition the two sides are working together on the development and construction of the PRC radio and television satellite DFH 3. Specific projects in the area of nuclear cooperation were also discussed.

Zhou Nan Ends Visit to Netherlands *OW1009014188 Beijing XINHUA in English* 0049 GMT 10 Sep 88

[Text] Brussels, September 10 (XINHUA)—Chinese Deputy Foreign Minister Zhou Nan, who arrived in the Netherlands September 7, ended his visit today after talks with Dutch Foreign Minister Hans van den Broek and other high-level officials.

The two sides exchanged views on bilateral relations and the world situation and agreed on the basic principles for a political solution to the Kampuchean problem.

Authorities Said Divided on Direction of Reform
HK1309085788 Hong Kong AFP in English
0847 GMT 13 Sep 88

[by Pierre-Antoine Donnet]

[Text] Beijing, Sept 13 (AFP)—Faced with record inflation and potential social unrest, Chinese authorities now find themselves divided over what road to take, with the most cautious demanding that political stability be put ahead of reforms, Western diplomats and Chinese sources said Wednesday. [as received]

Divisions have gone past the point of mere rivalry between reformists and conservatives, led respectively by Communist Party chief Zhao Ziyang and Premier Li Peng.

Rather, the split has given way to a wide-ranging debate of ideas between China's rulers, their advisers and economists, the diplomats and sources said.

"There are at least 10 clashing schools of thought among the circle of economists," said one well-placed Chinese source in Beijing.

"The decision-makers have before them five or six theses for solving the nation's problems. The differences do not deal with the basic policy, but with modalities," said a diplomat with links to Chinese economists.

Inflation unseen since the founding of Communist China in 1949, runs on banks and panic buying in stores across the country, an overheated economy and vast public discontent are among the warning signs that have emerged in the Chinese economy this year, analysts note.

Like any period of crisis in communist China, many rumors—some of them far-fetched—have been circulating in Beijing for several months. They included reports that Hu Yaobang, forced to resign in January 1987 as Communist Party chief due to "ideological laxness," had defected to the Soviet Union.

Other rumors have suggested that Mr. Zhao has fallen from favor with his mentor, senior leader Deng Xiaoping. These rumors claim that Mr. Zhao's economic policy is regarded as irresponsible and that his downfall is only a question of months.

Diplomats attach little credit to these rumors, believing that Mr. Zhao is still firmly in power and unlikely to lose his job soon. Analysts note, however, that a campaign of disinformation might have been launched by hard-line conservatives to take advantage of the current problems and erode the reformists' prestige.

One sign of differences within the political hierarchy came with the announcement of an upcoming "working session" of the Communist Party, to be followed by a plenary meeting of its Central Committee, observers said.

Such a working session aims to establish as big a consensus as possible towards dealing with difficult price reforms, diplomats said. The meeting is to take place in Beijing in about a week from now, bringing together some 1,000 national and provincial officials, mayors and economists.

The plenary session would follow in late September or in October.

"It involves getting as large a consensus as possible before fording the river," one diplomat said. "Given the scope of problems, it seems that the stability of the regime is the priority. It is natural to prefer a pause in reforms, rather than to risk a social explosion."

This is precisely the general tone of the government's latest measures.

On August 18, the Communist Party politburo said it was important not to lose time in deepening price reform as it announced an ambitious five-year program to liberalize prices.

On August 31, however, the State Council (cabinet) said that no new major price reform measures would be taken next year in order to galvanize the changes that already have gone into effect.

And on September 6, Mr. Zhao revealed he no longer dealt directly with economic affairs.

Since then, several measures have been taken to combat inflation that officially reached 19 per cent in June.

"The foremost thing that China should do is to redress past practices of seeking too high a speed of economic development," said conservative economist Yang Peixin, quoted at the weekend by the NEW CHINA NEWS AGENCY.

Commentator's Article on Ideological Work
HK1109003288 Beijing JINGJI RIBAO in Chinese
24 Aug 88 p 1

[Commentator's article: "Why Is It Necessary to Transform Ideological and Political Work"]

[Text] Today, the 10th anniversary of the 3d Plenary Session of the 11th CPC Central Committee, the party Central Committee solemnly announced the new task of transforming ideological and political work. We should pay close attention and give deep thought to this. We have always demanded that ideological and political

work be "improved," "made better," and "strengthened." Why should we now demand that it be transformed? This question is quite a hot topic for discussion today.

Comrades familiar with the development of ideological and political work over the past few years know that the ways in which the spontaneous changes in this work are formulated have always evolved amid heated debates. At the outset, it was demanded that "ideological and political work be "improved," which was later followed by the demand that it be "made better." Over the past 2 years, people have begun to demand that this work be "reformed." It has taken us nearly 10 years to proceed from the demand that ideological and political work be "improved" to the demand that it be "transformed." This on the one hand shows that people's understanding of the state of ideological and political work is steadily deepening in the context of external and conceptual changes. On the other hand, it also reflects the great obstruction people encounter while trying to bring about changes in ideological and political work. The introduction of the term "transformation" must not be viewed as the replacement of some words by others or a change in emphasis. It is a conclusion arrived at on the basis of a careful analysis and a careful examination of the historical development, the practical requirements, and the present state of ideological and political work.

Ideological and political work needs to be transformed primarily because the task of putting things right in ideological and political work has not been fulfilled and the pernicious influences of movements inspired by the idea of "taking class struggle as the key link" in political work have yet to be thoroughly criticized. Ideological and political work constitutes one of the party's fine traditions. During the war years, ideological and political work was subordinate to and served war needs. Its contributions must never be forgotten. Shortly after the founding of the country, ideological and political work at the enterprises was basically centered on production and management tasks and the results were good. Later, because of "leftist" influences, ideological and political work gradually developed in the direction of the principle of "taking class struggle as the key link" and along tracks dominated by political movements. During the time when Lin Biao and the "Gang of Four" prevailed, ideological and political work was reduced to a major means by which they enforced their extreme left line as well as a means by which people tried to intimidate and abuse others at some grass-roots enterprises. Since the 3d Plenary Session of the 11th CPC Central Committee, although in the course of putting things right the guiding principle for ideological and political work was rid of the idea of "taking class struggle as the key link," the long-time "leftist" influences have not been completely eliminated. Compared with efforts made in other fields to put things right, similar efforts in ideological and political work are still not properly coordinated and relatively slack. Today, we still cannot afford to underestimate the bad effects of movements inspired by the

idea of "taking class struggle as the key link" on ideological and political work. In transforming ideological and political work, it is first necessary to eliminate its pernicious influences and to fulfill the task of putting things right in ideological and political work.

Ideological and political work also needs to be transformed because we are undergoing a transition from a product economy toward a socialist commodity economy. Therefore, there should be corresponding changes in ideological and political work. In the past, the patterns of ideological and political work were formed against the backdrop of a highly centralized product economy and they accorded with the old product economy order. The goals, contents, and assessment criteria of ideological and political work all bore the mark of a product economy. The conceptual system formed in connection with ideological and political work on the basis of the product economy has no place for and even rejects a sense of commodity economy. As a result, commodity economy was equated with capitalism and was therefore resisted and rejected. One can only draw erroneous and harmful conclusions by examining the new problems and new situations arising from the development of a socialist commodity economy from the perspective of such a conceptual system. The development of a socialist commodity economy requires us to discard in our ideological and political work the conceptual system that accords only with a product economy, to establish a new conceptual system that accords with a commodity economy, to introduce values, a sense of competition, a market sense, a sense of results, a pioneering spirit, and the will to make progress in ideological and political work, to examine the objective results of ideological and political work according to productive forces criteria, and to transform and develop the socialist commodity macroeconomic environment. We are required not only to bring about conceptual changes in ideological and political work but also to cultivate and enhance a sense of commodity economy among the people through effective ideological and political work, to bring about society-wide conceptual changes, and to pave the way for the reform, liberalization, and development of socialist commodity economy.

Ideological and political work needs to be transformed not only because the macroscopic environment has changed. The microscopic environment in which enterprises' ideological and political work is done is changing, too. The most notable changes have been the changes in the enterprises' leadership system. For a long time, the leadership system applied among enterprises has been one characterized by centralized party committee leadership, with the result that party functions were not separate from government functions in enterprises and the party committees took over much administrative work and "tilled the land of others but left its own land unattended to." In addition, people have also become used to regarding ideological and political work as the "special responsibility" of the party organization and as a central task that transcends production and enterprise

management. The enterprises' economic work and political work were done along "two separate tracks." There were two sets of goals, two staffs, and the difficult problem of "two skins" [jiang zhang pi 0357 1728 4122—two things to which enterprises owe their existence], which has remained unsolved for a long time. By applying the system of the plant director assuming full responsibility and by separating party from government functions, we have created conditions for effecting changes in the situation. The promulgation and enforcement of the "Enterprise Law" have made it clear that plant directors are supposed to assume full responsibility for building two civilizations. This requires us to shift the leadership system governing ideological and political work from party leadership onto the tracks of the system of the plant director assuming full responsibility, to shift its operation mechanisms from the double-track system onto the tracks of a single-track system, and to rely on a large force formed by cadres, the masses, and specially assigned cadres, and cadres doing ideological work and political work on a part-time basis rather than relying on a few specially assigned cadres. It is necessary to establish as soon as possible a new system whereby the plant director assumes responsibility for ideological and political work. This task is of primary importance to the transformation of ideological and political work at grass-roots enterprises.

In transforming ideological and political work, an important thing to do is to transform the dogmatic and formalistic form and methods of ideological and political work. Over the past few years, the masses of political work cadres have made constructive attempts to explore the forms and methods of ideological and political work. However, one cannot deny that ideological and political education at enterprises is to varying degrees unsatisfactory and lacking in vigor and gives people the impression that it is like "scratching an itch from outside ones boot." Ideological and political education at enterprises is a formidable task and is crammed with many things. Very often, it is divorced from the enterprises' actual circumstances. Therefore, the enterprises are sometimes at a loss as to what to do with it. The demands on ideological and political work are very often vague and unrealistic and show a negligent attitude toward the training of workers in normal conduct. The didactic and parochial methods of instruction, which can be summed up in terms of the sentence "I speak and you listen and I hit and you try to understand [wo da ni tong 2053 2092 0132 6639]," make ideological and political work very inefficient and devoid of appeal. Today, when the reforms are approaching a critical point and when ideological and political work is becoming an increasingly arduous task, we are urgently required to discard the undesirable dogmatic and formalistic practice of dominating people and pouring exhortations into their ears and to put an end to unilateral indoctrination. It is necessary to combine education with service, care, and guidance, to focus our attention on caring for, respecting, and understanding others, to make "let the people know" one of the guiding principles for ideological and

political work, to conduct consultation and dialogue in an atmosphere characterized by unity, friendliness, and understanding, and to carry out two-way exchanges, in order to make ideological education really vivid and truly effective.

It is necessary to point out that there is no contradiction between the transformation of ideological and political work and carrying forward its fine traditions and that one cannot say that transformation implies the rejection of traditions. At present, it is necessary to reexamine our ideological and political work traditions and to seriously distinguish fine traditions from undesirable traditions and "leftist" influences. Only by doing all this can we boldly restore and develop the fine traditions of our ideological and political work and demonstrate their great potency in our work in the new periods. One should also be able to see that the transformation of ideological and political work does not imply the need to weaken it. In the course of the establishment of a new socialist commodity economic order, ideological and political work should undoubtedly be strengthened. The most important thing to do is to acquire the correct idea that it should be strengthened through transformation. Practice has over and over again proven that only through transformation can ideological and political work really be strengthened.

State Council Decree on Cash Control Regulations
OW1209210188 Beijing XINHUA Domestic Service
in Chinese 1217 GMT 12 Sep 88

[Text] Beijing, 12 Sep (XINHUA)—Decree of the People's Republic of China State Council

No 12

The "Provisional Regulations on Cash Administration" adopted by the 18th Executive Meeting of the State Council on 16 August 1988 are hereby issued. They will become effective on 1 October 1988.

Premier Li Peng

8 September 1988

Bank Approves Regulations on Use of Checks
OW1209180788 Beijing XINHUA in English 1557
GMT 12 Sep 88

[Text] Beijing, September 12 (XINHUA)—The State Council issued regulations today which calls on all government institutions, social groups, army units and enterprises to settle their accounts by cheque rather than by cash.

A spokesman from China's central bank, the People's Bank of China, described the move as an important measure to stabilize the monetary situation.

He said that the provisional regulations on cash administration "will not negatively affect the normal commodity circulation." Rather, he said, it will promote production and circulation by guiding business people, institutions and individuals to use various advanced non-cash account-settling methods."

Enterprises and government departments can only retain certain amounts of cash-in-hand. Under the regulations, the rest is required to be handed over to the banks.

Payments in cash should be mainly conducted to purchase farm and side-line products and other relevant commodities from urban and rural individuals, the regulation says.

The regulations come into force in October. Meanwhile, the People's Bank will also introduce various non-cash settling methods, the spokesman said. These include expanding the use of bank orders and cheques and issuing inter-bank money order certificates.

The enforcement of the regulations will be conducive to strengthening supervision over economic activities, improving taxation system and dealing with bribery, the spokesman said.

"All organizations buying commodities under the state plan should use bank accounts," the spokesman said. "Violators will be severely dealt with", he said, adding that the regulations will act as an effective step in checking inflation.

No More New Credit by Construction Bank in 1988
OW1209084088 Beijing XINHUA in English
0640 GMT 12 Sep 88

[Text] Beijing, September 12 (XINHUA)—No more new credits will be granted this year by the Construction Bank of China, according to today's issue of the paper "ECONOMIC INFORMATION".

By the end of last July, the amount of credits provided by the Construction Bank of China reached 14.646 billion yuan, 90 percent of the total allocated for the year.

Both the bank's revenue and expenditure of credits have increased since the beginning of this year, the paper said, with the total amount of deposits exceeding 32.6 percent by the end of July and credits reaching twice the planned quota.

The shortage of funds may be apparent in some branch banks in some provinces and municipalities, so the Construction Bank of China has insisted that the remainder of funds on hand must be used only for key projects, the paper said.

Teachers' Day Celebrated Throughout Country

Li Peng Greets Teachers
OW0909181888 Beijing XINHUA in English
1419 GMT 9 Sep 88

[Text] Beijing, September 9 (XINHUA)—Premier Li Peng today extended greetings on China's Teachers' Day, which falls on September 10, to teachers of the Beijing No 62 Middle School.

Minister in Charge of the State Education Commission Li Tieying, who accompanied the premier, said, "Glory belongs to people's teachers."

Li Peng asked 10 teachers to comment on educational reform measures being tested in the school and inquired about the teachers' work standards.

Li Tieying stressed that the key to running a school well lies in arousing the teachers' initiative.

The two leaders called on teachers and students of eight classes.

Li Peng said he hoped the students would study hard and make progress every day.

He also visited a factory run by the school.

Li Tieying Lauds Teachers
OW1109115688 Beijing XINHUA Domestic Service
in Chinese 1111 GMT 9 Sep 88

[Text] Beijing, 9 Sep (XINHUA)—Glory Belongs to the People's Teachers—In Celebration of the 1988 Teachers' Day

By Li Tieying

(9 September 1988)

Today we warmly celebrate this year's Teachers' Day, our fourth Teachers' Day. The tens of millions of teachers, like hard-working gardeners, have been undertaking the heavy task of cultivating some 200 million youths and children, and their work has touched the hearts of the 1 billion people across the country. What the teachers are doing is a sacred undertaking, an undertaking that deserves the highest respect. Teachers' Day should be regarded as a festive day, as grand as other national holidays. Today, as we celebrate this festival of the people's teachers, we wish to extend our warm greetings and cordial regards and show our high respects to them!

Since the 3d Plenary Session of the 11th CPC Central Committee, China's education has embarked on a road of healthy development and reform and scored considerable achievements. This involves the painstaking efforts of tens of millions of teachers and the combination of their toil and creativity. For many years the broad

masses of the people's teachers have endured all kinds of hardship and willingly served as a ladder for others to climb without seeking fame or gain for themselves. Their lofty character and brilliant performance will be entered in the annals of the Chinese people's hard struggle to achieve the four modernizations and China's revitalization. It is necessary to make our people, especially young students and children, aware that without teachers it is impossible for qualified socialist builders to emerge one batch after another, let alone to achieve the nation's prosperity and the people's well-being. Respecting teachers is a fine tradition of our nation and should be a virtue in present day society. For the sake of the basic interests of our nation and people, we should make it a very common practice in society to respect teachers and attach importance to education.

Education is connected with the success or failure of our modernization program as well as with the future and fate of our country and people. Comrade Deng Xiaoping pointed out long ago: "If we are to achieve modernization, the key requirement is the development of science and technology. It is impossible to develop science and technology without grasping education." Education is the basis of all projects of vital and lasting importance. To develop China's education as quickly as possible is a responsibility that history has put on our shoulders. Teachers, who are practitioners and explorers in developing and reforming education, constitute the backbone force of educational work, and the party, the state, and the people all place ardent hopes on them. At present, our country's reform has entered a period of tackling the most difficult problems. Our economic and social development requires the acceleration and deepening of educational reform. It is our hearty hope that all teachers will stand in the van of this reform, display wisdom and ability to the fullest, do a good job in reforming educational ideology, content, and methodology, and make fresh contributions to building a socialist educational system suited to the development of a commodity economy, capable of meeting the challenge of the new technological revolution, and possessing Chinese characteristics. Now, with reform going through a period of tackling the most difficult problems, unexpected difficulties may be encountered in replacing the old system with the new. We wholeheartedly hope that each and every teacher will understand the need for reform, support it, and publicize it. In the great tide of reform, we hope that each and every teacher will think the same way as the party, share the nation's burden, strive to be models in understanding, supporting, and publicizing reform, and make schools a staunch front for solving the most difficult problems and tackling the hardest tasks.

Education is a cause of the whole society, and therefore all social sectors should be concerned about and support it. Party committees and governments at all levels should earnestly carry out the guidelines set by the 13th National Party Congress and make sure that educational work is given top priority in economic development strategy. In a vast country like ours without a sound

economic and cultural foundation, there are many difficulties in developing education. We must adopt an attitude of "less empty talk and more solid work" and make serious efforts to solve difficulties one by one. Over the past few years, a number of advanced models in paying attention to education and doing well in developing education have emerged in various localities. Examples are the 37 advanced counties (cities) in doing educational work commended this time. They have taken a series of effective measures to increase their educational funds, improve the environment for running schools, and raise remuneration for teachers. We should earnestly sum up and publicize their experiences and see to it that teachers are respected and education is given due attention in our society. With the all-out support from the whole society and the unremitting efforts of the broad masses of teachers, we believe that education in our country will certainly become more lively and will have a very bright future.

I wish that in the new school year the people's teachers will work in high spirits, explore new ways to advance, and make even greater new achievements. Glory belongs to the people's teachers!

Hu Qili Greets Beijing Teachers

OW0909140788 Beijing XINHUA Domestic Service
in Chinese 1401 GMT 7 Sep 88

[By reporter Zhang Baorui]

[Text] Beijing, 7 Sep (XINHUA)—Hu Qili, member of the Standing Committee of the CPC Central Committee Political Bureau, today visited the Changping Rural Vocational School, the Changping Normal School, and the Central Primary School of Machikou Township, in Changping County, Beijing Municipality, to extend festive greetings to the teachers.

In conversations with the teachers, Hu Qili said: I know that you live a simple life and work hard, but your work is a great contribution to the spreading and building of human civilization. On behalf of the party Central Committee, I express appreciation and good will to you.

Hu Qili affirmed Changping County's methods and achievements in developing education by relying on investments from three levels, the county, township, and village levels. He said: In China's rural areas, there has been a tradition of investment in education by the people. This tradition should be carried forward. In the main, primary and middle schools rely on state investment, but they are also in need of local support. This is especially true in rural areas, where education should be developed jointly by the counties, townships, and villages. In rural areas, it is a good practice to develop vocational education in connection with actual needs because the graduates so educated will be welcomed by the local people.

Changping County of Beijing Municipality is an advanced county in our country in developing general education. The government of this county uses one-quarter of its revenue to develop general education. Besides county funds, the county's townships last year raised 70 million yuan for education purposes, and so far 11 villages have raised money themselves for setting up primary schools.

Hu Visits Henan Teachers

HK1009013188 Zhengzhou Henan Provincial Service in Mandarin 2200 GMT 9 Sep 88

[Excerpts] On 9 September Hu Qili, member of the CPC Central Committee Political Bureau Standing Committee, who is currently inspecting work in Henan, met in Zhengzhou with nearly 100 representatives of outstanding teachers attending the provincial teachers' day forum. He was photographed with them as a memento.

Before the forum started, Hu Qili came among the teachers, saying: On behalf of the CPC Central Committee, I extend teachers' day greetings to you comrades. You comrades work hard in arduous conditions to train talented people for invigorating China and achieving the four modernizations. The party and the people thank you. The whole of society should respect your labor. I thank you all.

The representatives said: We thank the central leader for coming to visit us. We will work hard when we return to our schools.

Also present in the joint photograph and at the forum were leading comrades of the party, government, and army in Henan including Yang Xizong, Cheng Weigao, Yao Minxue, Zhang Zhigang, Zhang Chixia, Fan Lian, and Yu Youxian. [passage omitted]

During the forum, Yang Xizong and Cheng Weigao announced that the provincial government has decided after study that in the future the province's spending on education will grow synchronously with its financial revenue, plus a further 1 percent. They expressed the hope that the party committees and government at all levels will act in this spirit in attaching further importance to education work. [passage omitted]

Yang Xizong said that, based on the province's actual conditions, we should currently focus on four issues in education reform:

1. Delegate powers, expand school decisionmaking powers, and promote the head teacher responsibility system. The current problem is that the leadership exercises too rigid control over the schools and takes charge of many things that they cannot do, cannot do well, or are hard to tackle. This does not help to stimulate the enthusiasm of the school leadership and the teachers.

2. We must train talented people to meet the needs of the four modernizations drive and of reform and opening up. A new theory that study is useless has now emerged. There is a serious problem of students drifting away in some places. We must make a specific analysis of this problem. There are economic and mental problems involved, and it is also a fact that school education cannot meet the needs of economic construction and of extricating the rural areas from poverty and enriching them and embarking on the road of affluence for all. At present the ratio of vocational to ordinary schools among the province's secondary schools is 3:7. This ratio should be reversed.

3. The schools should apply the enterprises' experiences in optimum composition in light of the characteristics of education. In the schools too, there are surplus personnel, egalitarianism, and the big rice-pot. We should form optimum composition and exclude from the composition people who teach poorly and are not suited to teaching.

4. We must continue to carry out reforms in the contents and methods of education.

Cheng Weigao, deputy secretary of the provincial party committee and governor, proposed nine issues for discussion by the province's education workers: 1) How to integrate education with the economy and ensure that the training of talented people meets the needs of the four modernizations; 2) how to resolve the contradiction of repeat education for the large numbers of junior and senior secondary school graduates who cannot go on to higher education; 3) how the education administrative departments should delegate their management powers, to give the schools more pressure and vitality; 4) how to fundamentally overcome the problem of one-sided pursuit of a high percentage of students going on to higher education; 5) how to promote the head teacher responsibility system in the schools and introduce the competitive mechanism; 6) how to better integrate education with labor, and how to better train more talented people in a planned way through vocational education; 7) how education can achieve more while spending less following the introduction of the all-round contract system for education spending; 8) how to raise capital through more channels at a time when education funds are still very tight; 9) how to resolve the problem of students drifting away from primary education. [passage omitted]

Wang Zhen, Li Ximing at Teachers Forum

OW1109110188 Beijing Domestic Service in Mandarin 0930 GMT 7 Sep 88

[Text] Representatives of outstanding teachers held a forum at the Great Hall of the People here this morning to celebrate Teachers' Day. PRC Vice President Wang Zhen extended greetings and paid respect to teachers throughout the country in his capacity as chairman of the Chinese Primary and Middle School and Kindergarten Teachers Foundation.

Wang Zhen said: Respecting teachers and paying attention to their teachings is a fine Chinese traditional virtue which we must carry forward. At present, teachers shoulder the task of helping raise the qualities of our entire nation. Therefore, it is necessary to raise their social status and improve conditions in education. At the same time, teachers should be a paragon of virtue and work hard to impart knowledge and educate people.

Wang Zhen urged teachers to continue to dedicate their lives to education and work hard to bring up large numbers of talents for socialist modernization.

Li Ximing, Zhou Gucheng, and responsible comrades of the State Education Commission and Beijing Municipality also spoke at the forum.

Attending the forum were 100 representatives of outstanding teachers from Beijing colleges, primary and middle schools, adult schools, child care centers, and kindergartens who made notable achievements in educational reform and in teaching. At the forum, a dozen of them put forward valuable suggestions on deepening China's educational reform.

Wang Zhen, Li Tieying Visit Teachers

OW0909134688 Beijing XINHUA Domestic Service
in Chinese 1304 GMT 5 Sep 88

[By reporter Zhao Wei]

[Text] Beijing, 5 Sep (XINHUA)—Wang Zhen, vice president, and Li Tieying, state councillor and minister in charge of the State Education Commission, visited teachers of some middle and primary schools in Beijing to extend Teachers' Day greetings. They were also invited to an ordinary teacher's house as her guests.

Wang Zhen and Li Tieying visited the Zhongguancun No 2 Primary School in the morning. The two state leaders were presented flowers by the pupils there, but they gave the flowers to the headmaster and teachers of the school to express their respects and regard, and wished the teachers a Happy Teachers' Day. After inquiring about the school's reform and the teachers' wages, Wang Zhen and Li Tieying watched the pupils operate computers in a classroom. Vice President Wang Zhen asked the children if they knew what day was Teachers' Day. They replied in unison: "Ten September." Wang Zhen happily applauded them. Then two pupils typed out, "Wish you health and success, Grandpa Wang," on the computer monitor. Wang Zhen asked: "Can you type out the phrase, 'Study well and make improvement everyday'?" Four little hands struck the keyboards and typed out Mao Zedong's famous phrase, "Study well and make improvement everyday." Wang Zhen smiled in satisfaction.

Wang Zhen and Li Tieying then walked to the quarters of Ke Huifen, a primary school teacher, on the fourth floor of a building. As her guests, they were told about this ordinary school teacher's family situation. Wang Zhen

said: China has 8 million middle and primary school teachers, teaching more than 200 million students and indirectly influencing 1 billion people. The development and rejuvenation of our nation in the next century will depend on these 200 million and more children. For this reason, we place our hopes on the vast number of educational workers. We must enable the children to develop morally, intellectually, physically, and esthetically at the same time. Of the four, moral development ranks first. Moral education should essentially include the four cardinal principles put forward by Comrade Deng Xiaoping, patriotism, and the party's basic line during the initial stage of socialism. Our Chinese nation has a magnificent cultural tradition, but we must not stop here. We should develop and create an even more magnificent national culture. In order to do so, we must strengthen our sense of national dignity and pride.

Ke Huifen and her family repeatedly thanked the vice president and the other guests for their visit. Wang Zhen gave a thumbs-up sign and said: It is the teachers who are the most honorable.

After visiting Ke's house, Li Tieying went to the Beijing No 101 Municipal Middle School. He conveyed Vice President Wang Zhen's regards to the teachers there and inquired about the current situation. He said: Headmasters and teachers are working on the forefront of teaching and educating the people. Therefore, the most important work of a school is to arouse the teachers' enthusiasm and give play to their creativity. It requires the efforts of the governments at all levels and of the whole society to make teachers the most respected persons and teaching the most admired job in society.

Lu Yucheng, Beijing vice mayor, and Liu Bin, vice minister in charge of the State Education Commission, accompanied Wang Zhen and Li Tieying on their visits today.

More Honoring of Teachers

OW1209070888 Beijing XINHUA Domestic Service
in Chinese 1452 GMT 10 Sep 88

[Text] Beijing, 10 Sep (XINHUA)—Today is Teachers Day. In the capital, universities, middle and primary schools, kindergartens, and all sectors of society have held colorful celebrations as an expression of goodwill and esteem for the hard-working gardeners on the educational front.

This morning, at the China Children's Activity Center, nearly 10,000 teachers joyfully celebrated Teachers Day together with PRC Vice President Wang Zhen, NPC Vice Chairman Lei Jieqiong, Zhou Peiyuan, vice chairman of the CPPCC National Committee, and several other leaders. The teachers, who are engrossed in hard work day in and day out, appeared relaxed and in high

spirits today. Some of them joined entertainment activities of one kind or another, while others danced. Wang Zhen and other comrades extended festive greetings to them.

These days, the teachers and students of the Beijing First Experimental Primary School have been immersed in festive jubilation. An inscription reading "Glory of the People's Teachers" written by President Yang Shangkun has greatly inspired the teachers. Some of them said: Hard as our work is, the party and state are concerned about us. They have the determination to do still better in teaching and cultivating the students.

Today many kindergarten children offered self-made festive gifts to their teachers. Some made bows and pinned them on the teachers' hair. On the eve of the Teachers Day, 613 outstanding children's education workers received citations from the municipal government.

Recently a number of party and state leaders visited schools in Beijing to join the teachers and students in celebrating Teachers' Day. While doing this, they also paid particular attention to listening to the teachers' opinions. Li Tieying, member of the CPC Central Committee Political Bureau and minister in charge of the State Education Commission, paid goodwill visits to the teachers of the Central Institute for Nationalities, Foreign Economic Relations and Trade University, and Qinghua University yesterday and today. Wang Bingqian, state councillor and minister of finance, attended an outstanding teachers forum held on 9 September at Central Financial and Banking Institute. He thanked this school for training a large number of financial and economic management personnel for the state in spite of the hard conditions. NPC Vice Chairman Lei Jieqiong attended a Teachers Day meeting held this afternoon at Beijing Normal College. She extended festive greetings to those whose work is to train "engineers for human souls" and wished that their red candle [HONG ZHU 4767 3608] spirit would be passed on from generation to generation. On 9 September, Li Ximing, member of the CPC Central Committee Political Bureau and secretary of the Beijing Municipal Party Committee, visited Chashihutong Primary School in the Chongwen District—a school he was to contact according to the work agenda—to join the teachers in celebrating Teachers Day. NPC Vice Chairman Ni Zhifu and other leaders attended the opening ceremony for the new school year held by the China People's University this morning and wished the teachers successful work and good health.

'Roundup' on Improving Civil Aviation Service
OW1309021188 Beijing XINHUA Domestic Service
in Chinese 0016 GMT 5 Sep 88

[Article by reporter Yang Like entitled: "Roundup—How To Improve Civil Aviation Transport Services"]

[Excerpts] Restructuring of China's Civil Aviation Administration is being gradually carried out. To institute the separation of government from enterprise, three

of the six large regional civil aviation bureaus—Chengdu, Shanghai, and Beijing—have been divided and formed into new regional civil aviation bureaus, airline companies, and airport authorities between October last year and July this year.

What are the results of this reform? The Civil Aviation Administration of China [CAAC] conducted an evaluation on the recent service of civil aviation during a recent CAAC conference in Urumqi, and analytically discussed what has affected the quality of air transport services.

The Warning From Being Ranked Last [subhead]

The purpose of reform is to develop productive forces, improve safety, punctuality and service in civil aviation, and enhance economic returns. During the actual process of reform, many people have confused the means of reform with its goal. They seem to feel that they have accomplished reform, separated government from enterprise, and improved their service and work.

However, the actual situation is different. The deputy director of CAAC, Ke Deming, provided an indisputable fact at the conference: The standard of service in civil aviation is worse than last year, and the service provided by CAAC is the poorest among airlines of the world and Asia. An information company in Singapore conducted an appraisal on the service of 46 airline companies this year, and the CAAC was ranked last.

According to statistics, between January and August this year, criticism against the quality of service in the form of complaints, writing to the media, and other channels received by the civil aviation authorities were 12 percent more than the same period last year. The number of flights taking off on time dropped by 2.6 percent compared with the same period last year. On an average of 216 CAAC flights per day, 23.5 are either delayed or canceled. [passage omitted]

Sellers' Market and and Quality Service [subhead]

An official from the transport department of CAAC pointed out: All the while, China's civil aviation market has been one where demand exceeds supply. It is entirely a seller's market. This has become a bed which easily breeds "poor quality service." Hampered by the relationship between supply and demand, the link between quality of service and economic returns has fundamentally been dislodged. Besides, it is also a monopoly. As a result, passenger service has been indifferent, and their criticisms have been ignored. All these have a serious and negative effect on service in civil aviation. [passage omitted]

The Key to Reform Is To Improve Internal Mechanism [subhead]

Regarding the way to improve poor civil aviation service, representatives attending the conference held different views. However, on one issue they are unanimous, that is improving the internal administrative mechanism.

The separation of government from enterprise has been instituted in the three civil aviation bureaus of Chengdu, Shanghai, and Beijing. The particular method is to divide the original regional bureau into three bodies, and set up a bureau, an airline, and an airport authority. [passage omitted]

Deputy Director Ke Deming pointed out: CAAC must reform. The separation of government from enterprise must be carried out. As for unusual aspects concerning the quality of service occurring this year, some are indeed related to reorganization. However, this also indicated that the only way to fundamentally resolve the problem of poor service in civil aviation is to deepen reform, define duties clearly, straighten out relations, improve coordination, enforce strict management, and set up, as soon as possible, a comprehensive and effective safeguarding structure, based on the series of rules and regulations discussed and examined at the conference.

Women's Federation Elects First Secretary
HK1209055688 Beijing RENMIN RIBAO in Chinese
7 Sep 88 p 1

[Report: "Zhang Guoying Is First Secretary of All-China Women's Federation"]

[Text] Beijing, 6 Sep (RENMIN RIBAO)—Today the First Session of the Standing Committee of the Sixth Executive Committee of the All-China Women's Federation elected Zhang Guoying first secretary of the Secretariat of the Sixth Executive Committee of the All-China Women's Federation and Huang Qizao [7806 0796 3884], Wang Shuxian, Guan Tao, and Kang Ling [1660 3132] secretaries.

Zhang Guoying, 53, was vice chairman of the Fifth Executive Committee of the All-China Women's Federation and first secretary of its Secretariat. Now she is concurrently vice chairman of the Sixth Executive Committee of the All-China Women's Federation.

Administrative Court's Major Functions Outlined
OW1309001488 Beijing Domestic Service
in Mandarin 0930 GMT 4 Sep 88

[Text] According to the spokesman of the Supreme People's Court, the Administrative Court under the Supreme People's Court will formally begin work tomorrow.

The Administrative Court fulfills the following six major functions:

First, it hears first instance administrative cases which have a significant nationwide impact, which by law come under the jurisdiction of the Supreme People's Court, and which have been transferred to the Supreme People's Court by the higher people's courts;

Second, it hears appealed administrative cases which do not agree with the first instance judgment or order by the higher people's courts;

Third, it supervises and provides guidance on adjudication work to the local people's courts at various levels;

Fourth, it sets the jurisdiction of transprovincial, trans-regional, and transmunicipal administrative cases;

Fifth, it hears administrative cases that have been decided by appropriate procedures to be retried by the Supreme People's Court; and

Sixth, it investigates and studies situations and problems and sums up experiences in administrative adjudication work.

It is reported that already there are nearly 130 laws and administrative laws and regulations instituted nationwide. If a citizen or legal entity does not agree with a penalty decision or other administrative decisions, he or she may initiate procedures at a people's court. From 1983 to June this year, over 14,000 administrative cases had been heard nationwide which involved nearly 20 administrative departments including public security, land, forestry, grassland, urban planning, industry, commerce, food sanitation, measurements, and environmental protection.

The establishment of the Administrative Court under the Supreme People's Court means further strengthening the enforcement of the Administrative Management Law. The Administrative Court is a reliable guarantee for supervising administrative work, handling administrative disputes, improving government-people relations, and safeguarding public order.

Interference Hinders Handling of Economic Crimes
OW1109130588 Beijing XINHUA Domestic Service
in Chinese 0705 GMT 9 Sep 88

[Report by XINHUA reporter Fu Kang: "Cases Thoroughly Investigated But Hard To Complete"]

[Text] Beijing, 9 Sep (XINHUA)—In the course of gathering news from economic inspection organizations, our reporter has found that although some cases have been thoroughly investigated, it is hard to complete these cases. Therefore, labels such as "case has been thoroughly investigated; action pending to complete the case" are often put on file and left in a safe, unattended.

Our reporter had seen a list of 106 major economic offenses in 1988 which mentioned the following cases awaiting law enforcement action:

A company in Qingdao City, Shandong Province, collaborated with others to illegally sell imported low-pressure polythene at a profit of 216,500 yuan.

A company in Yitong County, Liaoning, illegally sold over 1,400 tons of diesel oil at a high price, and made a profit of 120,000 yuan.

Two companies in Xuchang City, Henan, illegally sold 1,704.99 tons of gasoline and reaped a profit of 560,000 yuan.

A company in Chifeng City, Inner Mongolia, obtained 26 trucks by trading rolled steel and aluminum ingots, and sold the trucks at a profit of 896,700 yuan.

Most of the cases were violations of the law by companies run by various supply departments. Some companies raised prices each time they resold supplies, and sold them to consumers only when prices could no longer be increased. Others hoisted the banner of developing horizontal economic associations, and reaped staggering profits by making use of the differences between the fixed price and the negotiated price. What shocks people is that some of the companies reaped colossal profits by illegally selling and buying commodities, but were commended by the government and higher-level departments as "advanced units" for achieving "excellent economic results."

It has been reported that the number of cases involving government-owned companies illegally selling and buying supplies has markedly increased over the past several years. However, those who handle such cases have encountered strong resistance and the percentage of cases concluded is fairly low. The reason is: These companies are often backed by people with power and authority. Investigators encounter a great deal of resistance when behind-the-scene backers interfere. Last year, the Bureau of Industry and Commerce in Hubei Province had thoroughly investigated six economic offenses. However, a prefectural commissioner stepped in to interfere in law enforcement, and agreed that only one case should be dealt with. As a result, five cases ended up with nothing definite. Only one case was dealt with. In this particular case, originally the offender should have paid a fine of 30,000 yuan, but he only paid 10,000 yuan.

The department that carries out economic supervision finds it hard to bring up the aforementioned matter. Human rights and financial power are in the hands of the local party committee and government. "You have the authority to investigate me, but I have the authority to transfer you to another job." The department of supervision often encounters interference. It finds it hard to do its job correctly and to enforce the law. Recently the

Bureau of Industry and Commerce in Henan Province handled a case involving the illegal sale of rolled steel. Soon after that, the bureau chief was transferred.

People commenting on this point out: To handle the aforementioned cases, it is necessary to carry out structural reform first, and sever the connection between government officials and businessmen and between official circles and the market. Only by doing so, can economic supervision and law enforcement departments ensure that people observe the law, that law enforcement is carried out strictly, and that law breakers are dealt with.

Commentator's Article on Cadre Selection

HK1209044888 Beijing RENMIN RIBAO in Chinese
9 Sep 88 p 1

[Commentator's article: "The Criterion of Productive Forces Is Also the Basic Criterion for Selecting Cadres"]

[Text] The 13th Party Congress pointed out, helping to expand the productive forces should become the basic criterion for judging all our work. Is this criterion applicable to the selection of cadres for promotion? We should say that it is also applicable.

When appointing a cadre to a post, we should see whether he can make a greater contribution to the development of the productive forces; when assessing a cadre, we should see whether he has made a greater contribution to the development of the productive forces. We often say that in promoting cadres it is necessary to look at practical achievements. What is a practical achievement? Whether or not one can expand the productive forces is a practical achievement.

Then, in promoting cadres, do we still have to uphold the criteria of political integrity and ability and the criteria of making the ranks of cadres more revolutionary, younger in average age, better educated, and more professionally competent? Of course, we do. In the future we still have to unswervingly uphold these criteria. Why should we uphold these criteria? It is to expand the productive forces. In this sense, both the criteria of political integrity and ability and the criteria for the "four transformations" of cadres cannot depart from the criterion of the productive forces. Because of this, we say that the criterion of the productive forces is also a basic criterion for selecting cadres. Since the party Central Committee put forward the criteria for the "four transformations" of cadres, we have scored great successes in our cadre work. However, there are also some deviations in a small number of localities, such as one-sidedly stressing younger age, diplomas, and so on. Deviations in work derives from deviations in understanding. If we trace the matters to their cause, this is essentially because they have departed from the criterion of the productive forces in observing the criterion for the "four transformations" of cadres. Therefore, emphatically pointing

out that the criterion of the productive forces is also a basic criterion for selecting cadres is highly beneficial to further improvement of our cadre work.

If we use the criterion of the productive forces to judge our cadre work, we can see that some localities and units have not grasped the criteria of political integrity and ability in an all-round way. There exist the phenomena of placing ability above political integrity or placing political integrity above ability. Some comrades stress moral character at the expense of ability. But their understanding of moral integrity is very outdated and narrow. They always regard as good cadres those who are honest, obedient, and listen to what the higher authorities have to say but who cannot implement party policies in light of reality. Meanwhile, they also like to raise to the higher plane of political, ideological, and moral problems some comrades' errors which do not come under the category of political, ideological, or moral problems. In this way, many cadres having independent views, a pioneering spirit, and innovative ability, especially good cadres who are good at swimming in the seas of the commodity economy and who can develop themselves in enterprise competition, are excluded. Some other comrades only care about ability neglecting moral integrity. In fact, the greater the ability of those people with evil moral character, the greater their harm. Employing such people is likewise unfavorable to the expansion of the productive forces. The new cadres promoted according to these two one-sided criteria will also select newer cadres according to the same criteria. If the situation goes on like this, it will be difficult for good cadres having both political integrity and ability to show their talent and for our work to substantially improve.

Henan's Huaiyang County boldly promotes cadres according to the criterion of the productive forces. This can give people some enlightenment. It will be easy to imagine that, if we observe cadres in deviation from the criterion of the productive forces, it is obvious that those cadres having the so-called "problems related to the Cultural Revolution" and "economic problems" should not have been promoted to important positions. However, Huaiyang County used the criterion of the productive forces to realistically observe these "problems." These "problems," which were either shortcomings that had been corrected or which could not be regarded as big, did not prevent them from being promoted to important positions. Thus, the intelligence and wisdom inherent among them were brought into full play and yielded great economic results and social effect.

We should rely on competent people to rejuvenate the Chinese nation. To enable large numbers of outstanding people to be rationally employed, the most fundamental thing we should depend on is naturally the reform of the personnel system relating to cadres. At present, it is entirely necessary to further renew our concepts, to genuinely foster the concept of taking the criterion of the productive forces as a basic criterion, and to overcome all concepts which do not conform to and are in violation of this criterion.

Management Course for Leading Cadres Introduced
HK1309044788 Beijing GUANGMING RIBAO
in Chinese 31 Aug 88 p 1

[“Report by Deng Haiyun (6772 3189 0061): “International Training Program on China's Reform and Opening Up to the Outside World Will Soon Be Implemented”]

[Text] Several days ago a responsible cadre of the Chinese Research Institute of Economic Structural Reform said: China's reform has entered the stage of tackling formidable tasks, but we are not adequately prepared theoretically and we do not have enough qualified cadres. If we do not make ample preparations in this regard as soon as possible, the reform will be hindered. For this reason, a high-level training program for passing on elementary knowledge about the modern market economy, and improving the cadres' capability of handling economic affairs in modern markets will be implemented by the training center under the Chinese Research Institute of Economic Structural Reform.

As explained by the personnel concerned, the course on China's reforms and international opening up will take a total of one year to complete. The students will be young and middle-aged leading cadres at and above the middle grade from government departments, localities, and enterprises, and experts from domestic and foreign governments as well as industrial circles will give lessons. This program is jointly sponsored by the training center under the Chinese Research Institute of Economic Structural Reform, the China International Economic and Technological Exchange Center, the training center under the China Merchants Steam Navigation Company Limited in Shekou, and the Hong Kong Industrial, Commercial, and Science and Technology Management Center.

Cadres Capable of Expanding Forces Promoted
HK1209043688 Beijing RENMIN RIBAO in Chinese
6 Sep 88 p 1

[Report by reporter Li Demin (2621 1795 3046): “Huaiyang County Has a Correct Understanding of the Criteria of Ability and Political Integrity, Puts Cadres Capable of Expanding the Productive Forces in Important Position”]

[Text] Li Zhisheng, secretary of Henan's Huaiyang County CPC Committee, told me that it is necessary to have a correct understanding of the criteria of political integrity and ability, to boldly use cadres to develop the productive forces, to integrate the criteria of political integrity and ability with the criterion of the productive forces, and to interpret politics in vocational work instead of seeking “pure gold.”

Situated in the inundated area of the Huang He, Huaiyang County was called Chenzhou in ancient times. With a population of over 1 million, it is a big county; with

per-capita net income standing at 49.9 yuan in 1978 and at 290 yuan in 1987, it is also a poor county. The subject of the criteria for using cadres came up in this manner: I had come to Huaiyang with the intention of interviewing Jin Zhenxi, a winner of the national "May 1st Labor Medal" and director of Huaiyang County's scorpion-breeding experimental farm. After my arrival, I heard that he had "some problems." To be prudent, I asked county party committee secretary Li Zhisheng and deputy secretary Zhang Jicheng to air their views. After Zhang briefed me on Jin's conditions, Li said: We fully confirm his contributions in production and scientific research. With two jin of wheat bran, he can raise a jin of insects and with three jin of insects he can raise one jin of scorpions. By investing a little over 1 yuan he can make more than 100 yuan. This is highly efficient. Moreover, from 1,000 scorpions he can extract a gram of scorpion poison worth several thousand U.S. dollars. He is quite experienced in many things concerning scorpion, such as feed, the separation of young scorpions, and the extraction of poison. He also boosts economic development by selling breeding scorpions and passing on technical skills. His problems chiefly come from his original operations. He does not quite understand the financial system and he also has the problem of using people improperly. When observing people, we should not pay attention only on their problems but should stress the criterion of the productive forces.

I asked the leading comrades of the county party committee to talk about how to master the criterion of the productive forces and how to integrate this criterion with the criteria of political integrity and ability. Li Zhisheng said: When I came to Huaiyang to work as a secretary, I always stressed at big and small meetings that, to invigorate Huaiyang, it is necessary to employ cadres irrespective of their factions and without differentiating between whether they come from the north or the south. We should employ whoever can stimulate the development of the productive forces. This is not contradictory with the criteria of political integrity and ability but form a unity. They cited some examples:

Ma Yishan, secretary of the Chengguan Town CPC Committee, was said to have "problems related to the Cultural Revolution" and so nobody dared to use him. In fact, when the "Great Cultural Revolution" started, he was only 12 and was a "Little Red Guard." After the 3d Plenary Session of the 11th CPC Central Committee, he persisted in reform and had a pioneering spirit. He worked first as head of the town government and later as secretary of the town party committee. Over the past few years, Chengguan Town's economy has developed rapidly and the building of socialist spiritual civilization has also been fine. This is inseparable from his hard work. In the plastic factory where he takes the lead in setting up, plastic sheeting for agricultural use is produced. The per-capita output value has reached 80,000 yuan.

Hao Ruiduan, chief of the county grain bureau, has long been accused of "economic problems." Some people even lodged complaints against him to the central

authorities but the county still let him work as bureau chief and even elected him winner of the "May 1st Labor Medal." This is because he has done well since he became bureau chief. He has turned the grain department from an exclusively management type into an operational and management type and turned deficit into profit. He has also set up an oil plant, a food processing plant, a wooden tool processing plant, and a hemp mill. Because he dared to administer affairs and strictly enforced discipline, he penalized some people and even dismissed some of them. As a result, he "offended" them. After conducting an investigation, the county party committee drew this conclusion: His "economic problem" found expression in his failure to grasp well the policy in grain management. After helping him sum up experiences and lessons, we continued using him. Some people say that the county party committee is his "umbrella," which it certainly is.

In light of the above-mentioned viewpoints and examples, I asked: "In using cadres, do you stress ability without paying attention to political conditions?" Li Zhisheng said: We naturally should stress political conditions, which are something solid and not empty. Moreover, can the development of the productive forces be regarded as a political condition? The county party committee is absolutely not partial to cadres having problems or having made mistakes. We not only make use of their strong points but also set strict demands on them. Some cadres are both clean and honest but have no skills to develop production. How can we put them in important positions?

Students Favor Abolition of State Job Assignment
OW1309054188 Beijing XINHUA in English
0247 GMT 13 Sep 88

[Text] Beijing, September 13 (XINHUA)—About two-thirds of university students in a recent survey favored the abolition of job assignment by the state, but many worried about the difficulties of finding a job on their own.

The students' opinions were gathered as part of a survey conducted by the Beijing Municipal Statistics Bureau, which interviewed 100 students from Beijing University, People's University of China and the China University of Political Science and Law.

The abolition of state job assignment may give students equal opportunities and more freedom in finding jobs and impel students to study harder, the students who favored the reform said.

However, 59 percent of those who favored the job assignment reform thought that the reform should be put off until the country's educational and personnel systems are further improved.

"College education is not well geared to practical needs," a student from Beijing University said. "On the other hand, many establishments are extraordinarily over-staffed. They do not want university graduates although their employees are poorly trained, so the educational and personnel systems should be reformed first," the student explained.

Thirty-one percent of the students surveyed showed no interest in the reform and four percent were against it.

Some of the students surveyed were afraid that it would be more difficult for women to get jobs without job assignment by the state. Some establishments have reportedly announced that they do not want women university graduates.

"I hope this problem will be well settled in the job assignment reform," one student said.

All the students wanted public bidding (open job advertisement) to avoid nepotism and "pull" in the selection of job applicants, fearing that the abolition of job assignment could make it possible for more people to use "back doors".

The survey also showed that students feel a data bank should be established to make graduates and employers more familiar with each other's needs.

First Group of Aviation College Students Enrolled
OW1309045788 Beijing XINHUA in English
0237 GMT 13 Sep 88

[Text] Chengdu, September 13 (XINHUA)—China has enrolled its first batch of students majoring in civil aviation.

These 96 senior middle school graduates, all aged below 20, will study for four years at the China Civil Aviation College, the only higher institution of its kind in China.

They are to be pilots of passenger and cargo aircraft.

For the past 32 years, 95 percent of the country's civil aviation pilots have passed through the college.

Zhao Ziyang Greets Primary School Anniversary
OW1109131688 Beijing XINHUA Domestic Service
in Chinese 1551 GMT 10 Sep 88

[By reporter Zhang Baorui]

[Text] Beijing, 10 Sep (XINHUA)—Zhao Ziyang, general secretary of the CPC Central Committee, today wrote a letter to the experimental primary school attached to Beijing Normal University to greet its 30th founding anniversary.

The experimental primary school attached to Beijing Normal University is one of the primary schools selected in our country to conduct test-reform of its teaching methods. In the past few years, it has achieved considerable results in this reform. In his greeting letter, Zhao Ziyang expressed the hope that teachers and students of this school will meet the challenge of the new period and fulfill their arduous but glorious historical mission.

Zhao, Deng Send Wreaths Mourning Liu Ziji
OW1309090588 Beijing XINHUA Domestic Service
in Chinese 1457 GMT 12 Sep 88

[Excerpts] Beijing, 12 Sep (XINHUA)—A ceremony to pay last respects to the remains of Comrade Liu Ziji, an outstanding Communist Party member, dedicated communist fighter, former vice minister of the Ministry of Labor, and former adviser of the State Labor Bureau, was held at the Great Hall of the Babaoshan Cemetery of Revolutionaries in Beijing today. Comrades Zhao Ziyang, Deng Xiaoping, Yang Shangkun, Li Peng, Chen Yun, Wan Li, Li Xiannian, Peng Zhen, Deng Yingchao, Yao Yilin, Wang Zhen, Tian Jiyun, Li Ximing, Song Ping, Hu Yaobang, Qin Jiwei, Bo Yibo, Song Renqiong, Wang Shoudao, Liu Lantao, Zhang Aiping, Zhu Xuefan, Ye Fei, Ni Zhifu, Chen Junsheng, Ma Wenrui, and Qian Zhengying sent wreaths and Comrades Li Xiannian, Song Ping, Song Renqiong, Liu Lantao, Zhang Aiping, Zhu Xuefan, Ye Fei, Ni Zhifu, Ma Wenrui, and Qian Zhengying attended the ceremony to pay last respects to the remains of Comrade Liu Ziji. [passage omitted]

Yan Mingfu at Funeral of Former CPPCC Member
OW0909122788 Beijing XINHUA Domestic Service
in Chinese 1450 GMT 5 Sep 88

[Excerpt] Beijing, 5 Sep (XINHUA)—A ceremony was held in the auditorium of the Babaoshan Cemetery for Revolutionaries in Beijing today to pay last respects to the remains of Comrade Yan Xinmin, Sixth CPPCC National Committee Standing Committee member and Chinese Peasants and Workers' Democratic Party Central Committee vice chairman.

Comrade Yan Xinmin died of illness in Beijing on 15 August, 1988, at the age of 86.

The ceremony was attended by Yan Mingfu, Zhou Gucheng, Qu Wu, Ma Wenrui, Cheng Siyuan, Ismail Amat, Shen Qizhen, Fang Rongxin and the responsible persons of the concerned departments as well as over 300 of Comrade Yan Xinmin's friends.

Wreaths were sent by Li Xiannian, Peng Zhen, Deng Yingchao, Hu Qili, Liu Lantao, Xi Zhongxun, Zhu Xuefan, Yan Jici, Fei Xiaotong, Sun Qimeng, Lei Jieqiong, Yang Jingren, Hu Ziang, Qian Changzhao, Zhou Peiyuan, Qian Xuesen, Sun Xiaocun, Lu Jiaxi, Xu Deheng, Chu Tunan, and Wang Feng, as well as the NPC; the CPPCC National Committee; the CPC Central Committee United Front Work Department; the State

Nationalities Affairs Commission; the State Council Counsellors Office; the Nationalities Institute; the Chinese Peasants and Workers' Democratic Party Central, Central Advisory, and Supervisory Committees; the Shaanxi Provincial People's Government and CPPCC Committee; and the Chengcheng County People's Government and CPPCC Committee. [passage omitted]

Tian Jiyun Comments on Disasters
OW1009114588 Beijing XINHUA in English
1105 GMT 10 Sep 88

[Text] Beijing, September 10 (XINHUA)— Vice-Premier Tian Jiyun said today China has been hit by many disasters this year but none has involved big accidents.

Tian, who heads the central flood headquarters, attributed the outcome to the hard work of relief and flood control workers.

In a visit to the headquarters office this morning, Tian urged his staff to begin preparations for next year's floods.

He said the office lacks advanced facilities and should be modernized.

Chen Muhua Attends Packaging Fair Opening
OW0909150888 Beijing XINHUA in English
1048 GMT 9 Sep 88

[Text] Beijing, September 9 (XINHUA)—An international packaging technology exhibition opened here today.

Seventy-two foreign firms from a dozen countries and 170 domestic manufacturers are participating in the event at the China International Exhibition Center.

The exhibition, the fourth of its kind held in China, is sponsored by the China Council for the Promotion of International Trade (CCPIT) and the China Association of Packaging Technology.

Chen Muhua, vice chairman of the National People's Congress Standing Committee, attended today's opening ceremony.

China's packaging industry has grown rapidly in the 1980s. Last year it did 20 billion yuan worth of business, nearly triple the volume of 1980.

Improvement of packaging technology is cutting losses caused by poor packaging. Those losses in 1986 were pegged at 14 billion yuan, or 0.97 percent of the country's gross agricultural and industrial output.

The losses in 1982 were worth 10 billion yuan but represented 1.1 percent of the gross output.

China has 5,000 packaging firms employing 1.2 million people.

Another exhibition is scheduled to be held here in November 1990, a CCPIT official said.

Necessity, Difficulty of Buying Advanced Missiles
HK1309010788 Hong Kong HONGKONG STANDARD
in English 13 Sep 88 p 6

[By Tammy Tam]

[Text] China wants to buy advanced missiles from the United States and the Soviet Union to boost its national defence, a Chinese arms dealer's representative said yesterday.

Mr Ji Shungyi, secretary of the president of China Great Wall Industry Corp, said a the same time China would continue its weapons sales to third countries under strict regulations.

Mr Ji's firm deals in the import and export of weapons and other precision machinery.

Mr Ji was among a ten-man delegation to Britain's Farnborough Airshow to prepare for the Aviation Expo/China'89. They will stay in Hong Kong for three days.

"China wants to buy Soviet and U.S. missiles because their technologies on the field are quite advanced," Mr Ji said.

He admitted it was not a simple question, for the purchase of such high-tech weapons was a very sensitive political issue.

"The United States and the Soviet Union are not very willing to export their high-tech arms to China, so although we do want to import some foreign weapons, there is not much we can do at present," Mr Ji added.

Early this month when U.S. Defence Minister Frank Carlucci visited China, his Chinese counterpart Qin Jiwei expressed his country's desire for the transfer of more U.S. military technology.

On ties with the Soviet Union, Mr Ji said the relationship had been improving over the past few years. But arms trade was another question.

Mr Ji said his firm faced difficulties in the import of advanced weapons.

Quoting Minister Qin, he said arms sales to Third World countries would continue as China was still a poor nation.

Mr Ji said facts, on recent reports of missile sales, had been distorted. Moreover, China's ability for missile production was still limited.

Most of China's arms buyers are from the Middle East. Western experts believe China now ranks fourth in arms sales to the Third World.

Chinese weapons are believed to be cheaper than those produced in the West.

Spratlys Provide Hydrometeorological Information
HK1309051888 Beijing RENMIN RIBAO in Chinese 6 Sep 88 p 3

["Report by Zhang Huifang (1728 1920 5302) and Chen Shibiao (7115 1102 2871): "Two Hydrometeorological Survey Systems Are Operating at Yongshu Reef Oceanographic Station"]

[Text] Two hydrometeorological survey systems especially developed by the technological research institute under the State Oceanography Bureau for Yongshu Reef Oceanographic Station in the Nanshas [Spratlys], which was built last year, have recently been installed at the station. Repeated running-in and anti-interference tests showed the two systems performed satisfactorily. The two systems, which are now in normal operation, have begun providing timely hydrometeorological information about Nansha waters to relevant units at home and abroad.

The two systems were developed by the institute at the beginning of this year. The system has 16 functions including collecting, processing, printing, and recording various hydrometeorological information such as tides, waves, water temperatures, sunshine, and so on. It can also promptly transmit the survey data to coastal stations on the mainland via satellite. The system features a complete range of functions, easy operation, reliable performance, and a comparatively high degree of automation. It reaches advanced world standards.

To expedite the service, the institute sent eight engineers and technicians to Yongshu Reef in June to install and regulate the systems. They worked day and night for more than 1 month and completed all tasks ahead of schedule including mounting the systems by boring holes in the rock, underwater wiring, regulation, testing, running in, and training technicians.

The oceanographic station is located in the Pacific Ocean's tropical typhoon zone and there has not been any information about the zone available in the past. Therefore, the setting up of the station is of great significance to the study of typhoons in the Nanhai Sea, tropical hydrometeorology, and the southwest surge in the Beibu Gulf. Next year the station will shoulder the responsibility of exchanging information about international waters.

Army Gains Strength Through Vigorous Training
HK1209051088 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 0958 GMT 7 Sep 88

[Report by Yi Lan (0122 5663): "Chinese Army Devotes Vigorous Efforts to Training, Conducting Exercises"]

[Text] Hong Kong, 7 Sep (ZHONGGUO TONGXUN SHE)—This summer, military exercises of various types and sizes were conducted in many places on the Chinese mainland. During the first 10 days of August, the Beijing Military Region conducted group army combat exercises with live ammunition for days in a basin in the southern region of Shanxi Province, the hottest area in the southwestern region of the country (with the temperature reaching 35 degrees Celsius) and achieved the expected results.

According to another account by the official CPC news agency, China's first new-model tank unit—a certain tank division under the Jinan Military Region—also performed "combat exercises with live ammunition in an unfamiliar topographical area" using new tanks "equipped with modern technologies, such as centralized microcomputers, laser, and scotopic vision." An early-September account from Nanjing City said: A large-scale military exercise conducted during the last 10 days of August showed: China's "armored corps has become a modern chemical unit with high combat effectiveness."

According to RENMIN RIBAO, China's airborne troops conducted their first highland parachute landing and field survival training in the Qinghai-Tibet Plateau where conditions were harsh. JIEFANGJUN BAO carried an account on 18 August, saying that aside from augmenting defensive systems on the Nansha [Spratly] Islands, the Chinese military has carried out operational training "analogous to actual combats," with Naval and Air Forces cooperating with each other.

Many of China's highly sophisticated weapons are considerably advanced. A recent account said: China's Navy "possesses missiles of all types" and "has an attacking capability based primarily on missiles." China's Air Force has increased its "overall combat effectiveness."

However, overall, compared with the Soviet Union and the United States, China still has a fairly long way to go in terms of military strength. Since China's financial situation is relatively strained, it is impossible to increase military spending considerably in the short term. China's military spending constitutes only 1/50 of the world's total spending. This being the case, it is very important for the Chinese Army to devote vigorous efforts to training and performing exercises in order to maintain its actual combat effectiveness as it has limited funds to spend.

Economic Measures Yield Mixed Results
HK1309094888 Beijing ZHONGGUO XINWEN SHE
in Chinese 0417 GMT 10 Aug 88

[Report: "Advantages and Disadvantages of China's Unique Measures for Stabilizing the Economy"]

[Text] Beijing, 10 Sep (ZHONGGUO XINWEN SHE)—It seems that China's "unique" measures for stabilizing the economy are not being carried out smoothly. At present, the work of checking the guest houses, office buildings, and theaters under construction in the whole country is not making satisfactory progress.

The fever of building guest houses, office buildings, and theaters has not subsided. There are still many large-scale construction projects with high design standards that go beyond China's current economic level. According to statistics, 433 such construction projects in the whole country involving a total investment of 22.64 billion yuan were checked, and 111 of them with a total investment of 5.23 billion yuan were suspended.

In view of this longstanding problem which always disturbed our normal economic construction, some experts proposed that management regulations and a system for supervising and checking the non-productive construction projects be formulated as soon as possible and that no individual or unit be allowed to approve the starting of such projects without following the approval procedures. Economic sanctions should be imposed on, and administrative disciplinary actions should be taken against, principal responsible people who approve the non-productive construction projects without authorization, and such projects outside the state plan should be confiscated.

Although the work of checking non-productive construction projects did not make satisfactory progress, the size of capital investment has been basically brought under control this year. According to the relevant sources, between January and July, the amount of completed investment in capital construction in the whole country was 57 billion yuan, and the growth rate was 4 percent lower than last year. In the period, the amount of completed investment in non-productive construction projects was 17 billion yuan, and the proportion of investment in this respect was smaller than that of the investment in productive projects. This is obviously the result of this year's great efforts to cut down on investment in non-productive construction.

People here hold that reducing the size of capital investment is always a "unique" measure taken by China to improve its economy. In the next few years, China will more tightly control the capital investment size in order to tide over the difficulties in the reforms.

Leaf Tobacco Prices Freeze Reaffirmed
OW1109112488 Beijing XINHUA Domestic Service
in Chinese 0702 GMT 7 Sep 88

[By reporters Zhou Liang and Li Xiaogang]

[Text] Beijing, 7 Sep (XINHUA)—The State Tobacco Monopoly Administration issued a statement here recently saying that decontrol of the prices of 13 famous-brand cigarettes does not affect the state's overall price control and that purchase prices of leaf tobacco have been frozen in the second half of the year. It urges tobacco growers to sell the leaf tobacco on hand as soon as possible instead of waiting for a price increase.

The State Tobacco Monopoly Administration issued the statement because some tobacco growers in various localities have been keeping their tobacco and waiting for a price increase, thus obstructing state tobacco purchases.

To our knowledge, since the beginning of this year, disorder of varying degrees has prevailed in tobacco purchasing work in various parts of China. Panic purchase of leaf tobacco, similar to what happened last year, has occurred again in some localities. Although local governments and tobacco companies have made great efforts, there are still such phenomena as selling lower-grade tobacco at higher-grade prices, mixing leaf tobacco with fake material, and some tobacco companies setting up purchasing stations in tobacco-producing districts. In particular, after the decontrol of prices of famous-brand cigarettes, a small number of tobacco growers have been keeping their tobacco and waiting for a price increase, thus adversely affecting the execution of the annual state tobacco purchase plan. According to the Tobacco Corporation, the amount of tobacco purchases in most localities so far has been less than one half of the planned target due to the aforesaid reasons besides some climatic factors.

To facilitate leaf tobacco purchase and ensure the supply of raw materials for producing more famous-brand cigarettes, the State Tobacco Monopoly Administration has decided to improve monopoly management. Farmers must sell their leaf tobacco to local purchasing stations according to contract. Those who have not signed a contract may still obtain tobacco selling permits. The purchasing prices will remain unchanged.

Economist Assesses Role of Private Sector
OW1209195788 Beijing XINHUA in English
1504 GMT 12 Sep 88

[Text] Beijing, September 12 (XINHUA)—The advent of private ownership in China is one of the significant results of the reforms, according to noted economist Tong Dalin.

The private sector which was excluded from the socialist economy, he said, is playing an increasingly active role in the country's economic life.

According to the State Administration for Industry and Commerce, there are now 13.725 million private businesses throughout the country involving 21.583 million employees. The retail sales handled by this sector came to nearly 75 billion yuan last year, accounting for 13.78 percent of the country's total.

Of these private businesses, 115,000 private enterprises employed more than eight workers each, involving 1.847 million employees.

At the 13th Communist Party congress last October, General Secretary Zhao Ziyang said: "Public ownership should remain predominant in the primary stage of socialism. However, other sectors of the economy that are not owned by the whole people are far from adequately developed. Co-operative, individual and private sectors of the economy in both urban and rural areas should all be encouraged to expand."

In a reference to Karl Marx, Tong said: "This kind of ownership was an important viewpoint that Marx mentioned when discussing socialism. But it was never studied earnestly."

In a report entitled "Issues on Chinese Socialist Commodity Economy", Tong, who is secretary-general of the Chinese Society for Research on Restructuring the Economic Systems, said: "From the beginning of the 1950s, China has specifically divided the means of production into 'state economy' and 'collective economy'. And it was thought that the bigger the level of public ownership, the better."

This idea, Tong said, had been actually a source of equalitarian practices prevailing in China for decades.

Tong wrote five books in the past two years on China's economic reform and local economic development, Chinese and global development strategies and re-evaluating of capitalism.

Referring to the ownership of the socialist country, Zhao Ziyang recently said: "We cannot consider turning state enterprises into privately-owned ones. Essential enterprises should be owned by the state, but they can be contracted out to entrepreneurs. With the introduction of the contract system, which separates ownership and management, the state no longer interferes with the management of enterprises. Instead, the businesses will be responsible for their own profits or losses."

In this respect, Tong said that the central government should still maintain direct control over some basic industries which are of vital importance to the economy, public welfare, defense and some high-tech industries.

But, Tong said, the central government should limit its economic functions and should not control everything.

RENMIN RIBAO on Improving Labor Setup
HK1209060888 Beijing RENMIN RIBAO in Chinese
5 Sep 88 p 2

["Economic Jottings" by Jiang Chang (3068 2545): "It Seems Merciless and Yet It Is Not—On Perfecting Labor Setup"]

[Text] "This is simply an insult to human dignity. How can I face other people in the future?"

"I have contributed most of my life to this factory. Now I have been fired. This is too merciless!"

Since the enterprises are reorganizing and improving their labor setup, some workers are unnecessary. They are heavyhearted and experiencing complicated feelings. Some of them said sadly: "A man would never shed tears easily unless he is unnecessary."

Indeed, this is a stern fact. For a long time in the past, we maintained the "iron rice bowl" in the employment system and kept "eating from the same big pot" in the distribution system. This made some people lazy in work and idle in thinking. This is a longstanding and vexing problem. In the course of the in-depth enterprise reforms, we have eventually found the way to solve this problem, that is, to improve the labor setup. Through this reform measure, the enterprises can break the "iron rice bowl" and the "big pot," and the positive results can be demonstrated very quickly, thus invigorating the enterprises.

Some people are redundant in the course of improving the labor setup. Is this merciless? Concrete analysis is necessary on this issue. In a certain sense, this is "merciless," because the success of the good and the failure of the bad represent an objective law. If this law is applied to the economic life, then it is merciless and spares nobody's sensibilities. No matter whether he is a cadre or a worker and whether he is a new worker or an old worker, if he cannot properly fulfill his task and act competently in his post, then he is not a qualified worker and will be dismissed. In order to ensure effective and efficient enterprise management, such a "merciless" action is necessary. Otherwise, the enterprises will remain overstaffed and unwieldy, and will not be able to raise their labor productivity and improve their economic results.

However, in the long run and for the overall interests, this is not a merciless measure. First, it is reasonable. Improving the labor setup arouses the most active factors among all productive factors so that people of all kinds can achieve interests. Isn't this a reasonable and merciful measure?

At the same time, improving the labor setup terminates the practice of treating hardworking and lazy people in the same way. It affirms the work of the advanced and teaches a lesson to the backward. Isn't this reasonable? In addition, many units can improve their labor setup in a "merciful" and "humane" manner. They do not simply kick away the redundant workers; instead, they actively create conditions, such as providing training and opening new production fields, so as to help them obtain new jobs.

Then, why did some people feel that improving the labor setup is a "merciless" measure? There are some historical reasons. In all fairness, most people are discontent with the "three iron things" (namely, the iron rice bowl, the iron chair, and the iron wages), but the longstanding "iron rice bowl" and the "big pot" made many people accustomed to being dependent on the state and the social organization they belong to, and their survival capacity in the competition "shrank." As a result, they are not able to seize the opportunities and dare not to brave risks by seizing the opportunities. The fundamental way to solve this problem is to deepen the reforms and to create a competition environment, which will force the people to increase their adaptability in the course of competition. As Marx said, in the production activities of transforming the world, "producers are also changing themselves and acquiring new characters, and they develop and transform themselves in the course of production, thus creating new forces and new notions."

It seems merciless and yet it is not. It is hoped that all laborers will acquire new characters in the trend of reform!

Enterprises Try New Shareholding System
HK1209150188 Beijing CEI Database in English
12 Sep 88

[Text] Beijing (CEI)—A new share-holding system, put forward by young economist Li Dewei and his fellows, has been introduced in some enterprises on a trial basis.

Under the so-called extensive share-holding system, enterprises will become economic entities with their properties accounted in the form of shares. Funds, labor, technology and other means of production will also be converted to shares.

Decision-making power in operation and management will be handed over to the enterprises by transfer of preferential shares, stocks, or contracts and lease.

Representatives of share-holders will elect their board of directors which are responsible for appointing directors, who will be in charge of the day-to-day management of production.

Workers will become a share-holder by contributing their labor and skills and value of their shares will be calculated by their contribution to the enterprise. Income of the workers, including distribution of profits, bonuses and fringe benefits will be calculated on this basis.

A national music instrument factory in Changsha pioneered the system at the end of last year. Since then its economic returns have increased month by month.

Experiment of the system has begun in a number of units in Chongqing, Henan and Hebei. Zhou Guangzhao, president of the Chinese Academy of Sciences, suggested that the system be practised at the Zhongguangchun Science and Technology Development Zone in Beijing.

Specialized Banks for Housing Funds Urged
OW1209201788 Beijing XINHUA in English
1519 GMT 12 Sep 88

[Text] Beijing, September 12 (XINHUA)—The establishment of financial institutions specializing in housing funds is urgently needed, according to the journal "ECONOMIC INFORMATION".

"Only by establishing such building societies can the state exercise control over the development of the housing sector," the paper said in an article contributed by an official from the State Council Housing Reform office.

Now some cities and counties have begun to sell old state-owned houses to individuals. As there is no specialized bank to manage the housing funds, some of them use the funds recovered from the sales to expand the scale of capital construction, make up their deficits and buy controlled materials on the market.

The article suggested that the housing savings bank should be a share-holding institution involving investments from localities, enterprises and other financial institutions, and different from the existing specialized banks which are controlled by the state.

It also suggested that the new bank may commission its business to other banking institutions, government organizations and enterprises.

The article suggested formation of housing fund management committees and bank cooperation offices prior to the full establishment of the housing savings bank.

July Foreign Trade Volume Up 22 Percent
OW1209190888 Beijing XINHUA in English
1442 GMT 12 Sep 88

[Text] Beijing, September 12 (XINHUA)—China's total import and export volume in July was valued at 8.318 billion U.S. dollars, 22 percent higher than in the same period last year reports the current issue of "INTERNATIONAL BUSINESS".

Of the total trade value, exports amounted to 3.852 billion U.S. dollars-worth, a 24.94 percent increase compared with the same period last year, and imports came to 4.466 billion U.S. dollars, a 20.82 percent increase, according to statistics based on reports from all customs houses.

China's ten leading trading partners include the regions of Hong Kong and Macao, Japan, the European Economic Community, Canada, the Soviet Union, Czechoslovakia, Australia and Romania. Trade volume with these countries and regions makes up 86 percent of China's total foreign trade, about 25 percent more than in the same period last year.

Items which attained an export value above 10 million U.S. dollars each included pork, aquatic products, grain, vegetables, medicine, crude oil, steel and garments. The imported items with the same value were sugar, rubber, paper, machinery, motor vehicles and ships.

Pharmaceutical Self-Sufficiency Reached
OW1009184988 Beijing XINHUA in English
1531 GMT 10 Sep 88

[Text] Beijing, September 10 (XINHUA)—China now produces enough pharmaceuticals for its one billion residents, according to the Pharmaceuticals Industry Association that was inaugurated here today.

The country's pharmaceuticals industry manufactured 42,500 tons of pharmaceuticals in the first seven months of this year, up 11 percent from the same period in 1987.

It will export 550 million U.S. dollars-worth of goods this year, a 40 percent rise from last, an official of the association said.

It has scored an annual increase of nearly 18 percent in its output value since 1980, an official of the association said. Its industrial output was valued at 15 billion yuan (about four billion U.S. dollars) last year.

China has 900 pharmaceutical factories, which are capable of manufacturing 4,800 kinds of pharmaceuticals and preparations.

Yangtze Water Level Rises Above 'Alert' Line
OW1209190688 Beijing XINHUA in English
1436 GMT 12 Sep 88

[Text] Wuhan, September 12 (XINHUA)—The water level of the Yangtze River at Wuhanguan, Wuhan City, Hubei Province, rose to 26.92 meters this afternoon, 0.62 meters higher than the "alert" line. And the water is still rising.

A 2,800-meter-long dyke at Wuchang district is now only 30 cm higher than the water. More than 3,000 people have been organized to reinforce it.

Wuhan municipal government has mobilised its citizens to be on alert against floods.

Local officials say the flow is 64,000 cubic meters per second.

Erosion Causes Hardship in Yangtze River Areas
OW1009235988 Beijing XINHUA in English
1347 GMT 10 Sep 88

[Text] Beijing, September 10 (XINHUA)—Living standards in coastal areas of China may be improving but in the upper reaches of the Yangtze River life continues to be hard and at times precarious.

"The problem here now isn't how to get rid of poverty and become richer. It's simply how to make a living," says Chen Lieyao, deputy magistrate of Hezhang County in Guizhou Province.

What is causing this situation is soil erosion. Along the upper stretches of the river, grass and trees are rarely seen; the hills are bald and uninviting.

The erosion has affected 350,000 square kilometres or 35 percent of the total area of the upper reaches.

Each year, more than 1.5 billion tons of soil is eroded away; 530 million tons wind up in the Yangtze River.

Forest coverage in Sichuan Province is 3.14 million hectares less than it was 40 years ago, a decline of seven percent.

The proportion of forests in many counties in northern Yunnan Province and western Guizhou Province is below one percent.

Experts in water and soil conservation say the culprit is man. Too much cultivation, too much tree felling has been allowed to go on.

Family planning has also been out of control. The fastly growing population has put sharp demands for more and more grain.

In Bijie Prefecture, where soil erosion has been the most severe in Guizhou Province, the population has increased by 290,000. The prefecture needs 150,000 tons of grain allotted by the state each year, even though its cultivated land has increased by 30 percent in the past 40 years.

An official of the Guizhou government said the dwindling fertility of the soil has become a serious headache for local governments. It has meant smaller crops and brought calamities and financial difficulties.

While ordinary people are struggling to fill their stomachs, no one is concerned about the condition of the soil.

The poorer the people are, the more land they reclaim and thus the more grassland and woods are used up. It becomes a vicious circle. The environment turns from bad to worse.

There are about 3.3 million hectares of non-irrigated land in Sichuan Province. A quarter are on mountain slopes of over 25 degrees even though there is a state law that proscribes against farming in such terrain.

Farming on steep land can cause erosion of as much as one centimeter of the top soil in a year. At that rate, land can become barren in only 50 years.

Puding County on the upper reaches of Wujiang River has only 4,000 hectares of young growth. Erosion is reducing the farmland by 530 hectares a year. Some villages have become ghost towns, their inhabitants forced to move to greener pastures.

Yuanmou County in Yunnan Province, where the remains of very early man have been found, is facing serious soil deterioration now, too. Erosion affects 80 percent of the county and the amount of soil that is carried away in a year by the Jinsha River is equal to 2,470 hectares of farmland.

The erosion has brought a sharp decrease in water resources. Of the 3,020 springs flowing in Qiaojia County, Yunnan Province in 1949, no less than 708 have dried up. In dry periods a small pail of water sells for two yuan.

Puding County has had little rain in the past year. Some peasants have embraced an old custom of putting clothes and hats on their dogs which they carry around on their shoulders to drive away the "drought devils" and plead with heaven for some rain.

On the other hand the erosion has heightened the threat of floods and landslides.

In July, a storm set off mountain torrents in Liangshan Yi Autonomous Prefecture in Sichuan Province. One swept through the area killing 58 people, drowning 600 domestic animals and destroying 7,300 hectares of farmland.

Local officials have complained about how the erosion is causing calamities. It is a far cry for the people there from getting rich, they say.

According to the State Statistical Bureau, counties that need state subsidies in the upper reach of the Yangtze River account for 20 percent of total poverty-stricken counties across the country.

The average personal income and the standard of food supply are far below the national average. The state has to supply these underdeveloped counties with one million tons of grain a year.

Said a leading official of Guizhou Province, "The disastrous consequences of soil erosion have become a big obstacle to the economic development here."

First World Trade Fair Slated for 1989
OW1209142588 Beijing XINHUA in English
1042 GMT 12 Sep 88

[Text] Beijing, September 12 (XINHUA)—China will host its first world trade fair in Beijing next year, a senior trade official disclosed here today.

Zheng Hongye, vice-chairman of the China Council for the Promotion of International Trade (CCPIT) and China Chamber of International Commerce (CCOIC), said preparations are now under way.

He said, "We plan to hold several world trade fairs in China in the future and make the China International Exhibition Center an important international area for economic, trade and technical exchanges."

China is now speeding up construction on infrastructure and service facilities, he added.

In the past year, the council has sponsored 250 exhibitions from other countries; many domestic customers bought imported technology and equipment during the exhibitions.

Meanwhile, it also organized more than 200 trade exhibitions in other countries.

RENMIN RIBAO on Legal Theory Symposium
HK1209151888 Beijing RENMIN RIBAO in Chinese
5 Sep 88, p 5

[Article by Qi Haibin (7871 3189 3453): "Roundup of the 1988 National Symposium on Legal Theory"]

[Text] Not long ago, the Institute of Basic Legal Theory of the China Law Society and the Guangdong Provincial Law Society jointly held the Symposium on Legal Theory in Zhuhai City of Guangdong Province. At the Symposium, all the comrades discussed the basic tasks and characteristics of the work of building a legal system in China as well as the theoretical obstacles to the work of building a legal system in China at the present stage.

During the discussion, all the participants to the symposium unanimously agreed that the basic task of the work of building legal system in China at the present stage is to build a legal system commensurate with the development of the socialist commodity economy and the development of democracy and politics in China. History shows that a legal system is always linked with a certain commodity economy and has absolutely nothing to do with the product economy forcibly established on the basis of backward productive forces. Therefore, the realization of a specific legal system is ultimately determined by the development of a certain commodity

economy. Rules, regulations, and order are the indispensable factors to the realization of any mode of production which has a recognized independent social status. However, the rules, regulations, and order required by the natural economy, the product economy, and the commodity economy differ both in quantity and in quality. The quantity difference between the rules, regulations, and order required by the natural economy, the product economy, and the commodity economy reflects the degree of the legalization (regularization) of the social life whereas the quality difference between the rules, regulations, and order required by the natural economy, the product economy, and the commodity economy distinguishes a legal system from autocracy. The large number of rules and regulations required by the commodity economy form a complex whole, which is the quantity basis of the legal system, whereas the standard, reciprocity, non-personification, established nature, continuity, stability, and some other characteristics of the rules and regulations required by the commodity economy form the soul of the legal system. Fundamentally speaking, the building of the legal system in China at the present stage depends on the success of the reform of the economic structure of China and on the full development of the commodity economy in China. The building of the legal system in China will inevitably transform the structure of the product economy, accelerate the transformation of China's natural economy and semi-natural economy, and wipe out the basis of autocracy, the ideology of rule by man, the power fetishism, and some other feudal political and legal cultures; The building of the legal system in China will help to firmly establish the concept of democracy and the concept of legal system in China, change the interrelationships, behaviors, and methods of thinking of the Chinese people, and help the Chinese people to foster the concept of principle body, the concept of human rights, and the concept of equality and freedom; The building of the legal system will greatly reduce the direct administrative interference, establish the authority of law, increase people's need for law, enhance the concept of citizen's rights, and strengthen the Chinese citizens' ability of appraising and applying laws so as to push forward with the formulation and implementation of laws; Finally, the building of the legal system in China will destroy the monopoly of political power, which is commensurate with the highly centralized structure of the product economy, enable people to freely express and exchange widely divergent views and ideologies on the basis of equality, and help to formulate laws and policies according to the common will formed on the basis of the free expression and exchange of widely divergent views and ideologies among the people. The full development of the commodity economy will produce a large contingent of entrepreneurs which will become the political basis of the building of democracy and legal system in China, expand the international cultural exchanges, absorb the cream of foreign legal culture, and accelerate the building of the socialist legal culture.

At the symposium, some comrades pointed out that at the initial stage of socialism, the building of the legal system in China has the following important characteristics: First, the pluralistic nature of China's future legal system. This characteristic determines that several legal systems will coexist with one another in China at the same time. China's future legal system will be a pluralistic but unified legal system, in which the mainland socialist legal system dominates while several non-socialist legal systems which differ in nature from the mainland socialist legal system will also exist in China at the same time; Second, the impurity of China's future legal system. The existence of the special economic zones and a variety of economic forms and methods of distribution has determined that at the present stage, China's legal system should not only protect and develop the relations concerning the rights and duties of the citizens and the distribution according to work, which have been formed on the basis of the public ownership of the means of production, but also protect and develop the relations concerning the rights and duties of citizens and the distribution not according to work, which have been formed on the basis of the private ownership of the means of production. Such impurity of our country's legal system is mainly determined by the standard of the development of the productive forces; Third, the imperfect and incomplete nature of China's legal system. This means that China's legal readjustment will no doubt be imperfect and incomplete with regard to its "quality" and "quantity." This characteristic of China's legal system reflects the actual situation of China at the present stage. Due to China's social, economic, and cultural backwardness and the strong influence of the feudal autocracy in China, China's legal readjustment will no doubt be imperfect and incomplete in many aspects with regard to the "quality" and "quantity of such readjustment;" Fourth, the transitional nature of China's future legal system. Because China's legal readjustment cannot be complete and perfect, when implementing certain measures of legal readjustment, China should also implement some measures of social readjustment, including certain policies, moral concepts, disciplines, rural regulations, villagers' rules, and so on. Moreover, China should make continued efforts to explain all the laws to its people and strengthen the supervision over the implementation of the laws so as to smooth out various types of relations in the Chinese society.

The question concerning the present theoretical obstacles to the building of the legal system in China attracted great attention at the symposium. All the participants to the symposium spoke on how to appraise China's present legal theory. Generally speaking, the views expressed on this question by the participants at the symposium boil down to the following two views: Some people think that it is necessary to historically, comprehensively and dialectically appraise China's present legal theory. It is wrong to completely affirm or negate China's present legal theory regardless of the history. During the first few years after the founding of the PRC, China mainly learned from the Soviet legal theory and legal

system. During that period, China also learned many other things from the Soviet Union. This is an objective fact in history. Learning from the Soviet Union once helped China to establish its own legal theory and lay a good foundation for the further development of China's socialist legal theory. However, China also made a mistake during that period. The mistake China made is that it mechanically copied the bulk of the Soviet legal theory. However, since the 3rd Plenary Session of the 11th CPC Central Committee, China has made rapid progress in building its own legal system. China's legal theory has also been further developed. The progress China has made in building its own legal system and further developing its own legal theory has played a positive role in helping China to bring order out of chaos and has greatly pushed forward with implementation of the policies of reform and opening up to the outside world. Because China's legal theory has been further developed, China's legal theory should generally be affirmed.

Other people think that China's present legal theory is still far from perfect. Since the 3rd Plenary Session of the 11th CPC Central Committee, China's legal circle has indeed done a lot of work, achieved marked successes, and clarified some questions concerning China's legal

theory. However, the questions which have so far been clarified are only the common-sense questions. Compared with China's other theoretical circles and departments, China's legal circle and legal and political departments still need to further carry out ideological emancipation, further discard their rigid concepts and views, discuss more questions and issues, break through more forbidden zones, discuss more major questions concerning China's legal theory, and make more rapid progress. With regard to China's legal theory, China's legal circle and legal and political departments still need to make redoubled efforts to sum up their historical experiences, distinguish right from wrong on certain historical questions and issues, formulate a guiding ideology commensurate with China's practice of reform and opening up to the outside world, catch up with the practice and the development of China's other theoretical circles and departments, and overcome the present crisis in China's legal theory. In order to sum up the historical experiences, China's legal circle and legal and political departments should conscientiously restudy the legal theory of Vyshinsky and the impact of the legal theory of Vyshinsky on the development of China's legal theory because this is a question China's legal circle cannot avoid discussing in its development.

East Region

Fujian Congress Standing Committee Meeting Ends *OW1109090588 Fuzhou Fujian Provincial Service in Mandarin 1000 GMT 2 Sep 88*

[Excerpts] The Fourth Session of the Seventh Fujian Provincial People's Congress Standing Committee ended on 2 September after a 5-day session. The session examined and approved Fujian Province's "Provisional Regulations on Enforcing the PRC Law on the Organization of Villagers' Committees". Cheng Xu, chairman of the Seventh Fujian Provincial People's Congress Standing committee, made a report at the session, entitled "Grasp Firmly the Ideological Weapon of the Criteria for Productive Forces."

Comrade Cheng Xu emphasized: At present, organs at all levels under the provincial People's Congress should regard the work of restudying and rediscussing the criteria for productive forces as an important task and ensure that it is carried out properly. We should insist on unifying our thinking on the basis of the criteria for productive forces. We should further emancipate our minds, and make greater contributions to exercising the functions and powers of the People's Congress, deepening reform in Fujian, further opening up to the outside world, and stepping up the development of an export-oriented economy. [passage omitted]

Based on suggestions of the Standing Committee chairman, the session appointed (Hong Hai) director of the Research Office of the Fujian Provincial People's Congress Standing Committee; (Wang Hao) vice chairman of the Standing Committee's Overseas Chinese Affairs Committee; and (Lu Xiudong) vice chairman of the Standing Committee's Legal Affairs Committee. The session also appointed and removed a number of [word indistinct] workers of the Standing Committee as well as some judges.

Fujian's Fuzhou Offers More Land-Use Plots *OW0809134888 Beijing XINHUA in English 0709 GMT 8 Sep 88*

[Text] Fuzhou, September 8 (XINHUA)—The municipal government of Fuzhou has decided to make over the land-use rights for another 12 pieces of state-owned land in order to promote the city's construction.

A government official said here today that the 12 pieces of land total 15 hectares and all of them have convenient access to traffic, public services, and commercial centers.

Nine of them, all situated near the center of this capital of Fujian Province, are suitable for the erection of highrise buildings for commercial purposes. The term of their land-use right is 80 years.

Another piece will be used to construct residential apartment buildings with a term of 90 years and still another for the construction of industrial workshops with a term of 35 years.

Since more and more compatriots and Overseas Chinese are visiting Fuzhou and enquiring about burial plots in their native province, the remaining piece of land, located in the suburbs, has been selected as a cemetery specially for compatriots from Hong Kong, Macao and Taiwan, as well as for Overseas Chinese. The land-use right is for 99 years.

Since the beginning of this year, the Fuzhou municipal government has transferred the land-use rights of three pieces of state-owned land.

The official stressed that the land-use right of all the 12 pieces of land will be transferred by agreements, tendering bid or auction.

The legal users of the 12 pieces of land will have complete freedom of construction, and will be eligible for loans from banks using the land-use certificates as mortgage. There will be no limit on the transfer price of the buildings they construct on the land, he added.

Jiangsu Military Region Stresses Discipline *OW1109090288 Nanjing Jiangsu Provincial Service in Mandarin 2200 GMT 2 Sep 88*

[Text] The Nanjing Military Regional Command held a meeting yesterday morning to relay the guidelines of the CPC Central Committee and the State Council on strengthening party discipline and safeguarding the overall interest of reform. The meeting was attended by CPC members in military organs and troop units stationed in Nanjing.

Xiang Shouzhi, secretary of the military regional party committee and commander of the military region, made a speech after relaying the guidelines of the CPC Central Committee and the State Council. He asked party organizations in the military region to promptly relay the guidelines to party members and to inspire greater confidence in reform.

Xiang Shouzhi pointed out emphatically: All troop units in the military region should carry forward the PLA's fine tradition of strictly obeying orders and taking concerted action, consciously keep in step with the CPC Central Committee ideologically and politically, and unconditionally implement the Central Committee's instructions and the State Council's regulations on commodity price and market stability.

On behalf of the regional party committee, Xiang Shouzhi solemnly said: Spreading rumors and hearsay is strictly prohibited. Panic buying of high-grade commodities and daily necessities is strictly prohibited. Using public funds to rush purchase goods and materials is strictly prohibited.

Unauthorized purchase of controlled commodities by institutions is strictly prohibited. Hoarding and market-cornering by production and commercial departments to drive up prices is strictly prohibited.

Jiangsu Aluminum Factory Workers Interviewed
HK1009025488 Beijing RENMIN RIBAO in Chinese
3 Sep 88 p 1

[Report by Gong Yongquan (7895 3057 3123): "Why Has the Yizheng Aluminum Products Factory Stopped Operating?"]

[Text] On 28 August RENMIN RIBAO published photographs of the Yizheng aluminum products factory, which stopped operating due to a shortage of raw materials. This reporter went to the factory and found that this was not an individual case.

As disclosed by the factory, an exchange meeting of aluminum products factories throughout the country was held in Kunming at the end of July. Statistics compiled by the meeting suggest that at that time 36 percent of key aluminum products enterprises in the country stopped operating because aluminum ingots had fallen short of supply. This shortage trend is developing.

This serious situation has resulted from a continuous rise in the prices of aluminum ingots. The market price of aluminum ingots has risen at the rate of 1,000 yuan per ton since the beginning of this year and has now reached 16,000 yuan per ton. Even so, aluminum ingots are still difficult to buy. In this irrational situation where the price of aluminum ingots has surpassed that of aluminum products, which are 11,000 yuan per ton, this aluminum products factory had no alternative but to stop operating to see what should be done next.

All sorts of "aluminum suppliers" have emerged and approached the factory in various ways, some by telegram or over the telephone, others by making contacts in person. A total of 200 offers or so have been made! Quite interested, this reporter inquired about their names. A comrade from the factory office mentioned a person who came from a city CPPCC. When the reporter asked him the name of the city, he said he did not remember. Of course, it was inconvenient for him to tell. From a pile of telegrams, the reporter discovered the following: The Jining electromagnetic cables factory claimed to have 20 tons of aluminum ingots to sell; the Nanjing Huaning company claimed to have 200 tons of aluminum powder to sell; the Jiangdu County Yichuan materials company claimed to have 90 tons of aluminum ingots; and a supply and marketing cooperative in Liuhe County claimed to have 70 tons of aluminum ingots.

When asked how to alleviate the shortage of raw materials for processing aluminum products, those who participated in the interview said that these two points should be taken into account: 1) It is necessary to ensure

the supply of raw materials for the production of daily-used aluminum products. New buildings, hotels, and restaurants require a large amount of aluminum for their window frames, and this has aggravated the shortage of aluminum materials. Measures should be taken to restrict the use of aluminum materials for this purpose. 2) It is necessary to exercise stricter macrocontrol over the aluminum materials market, to straighten out market order, to reduce intermediate links, to prevent nonproductive departments from engaging in the hedge purchase of aluminum ingots, and to resolutely stop the illegal activities of "speculative officials."

The Yizheng aluminum products factory is the largest professional factory in Jiangsu Province. Its output accounts for 70 percent of the province's total. Boilers, kettles, boxes, basins, and ladles are indispensable in the people's livelihood. The factory resumed production on 29 August. It now has about 200 tons of aluminum ingots, just adequate to maintain production for 20 days. What will the situation be in 20 days time? Much worried, the factory director said: "The factory still has seven or eight people 'traveling' outside, and 150 tons of aluminum ingots will be delivered to us. We think we will go hungry but will not die of hunger!"

Commentary Stresses Jiangxi Party Discipline
OW1109090888 Nanchang Jiangxi Provincial
Service in Mandarin 1000 GMT 1 Sep 88

[Station commentary: "Strengthen Party Discipline, Safeguard the Overall Situation of Reform"]

[Text] Party discipline, an important guarantee for victory in our revolution and construction, should also be emphasized in the current reform. Especially as reform enters the period of tackling the most difficult problems, it is all the more necessary to strengthen party discipline in order to safeguard the overall situation of reform and ensure its smooth progress.

In strengthening party discipline, all party organizations and members must work energetically for reform and reinforce instructions and prohibitions with one heart and one mind.

Recently wanton price hikes, panic savings withdrawals, and panic goods purchases occurred in some localities, creating unjustifiable interference in reform and the people's normal economic life. In order to solve these problems, the State Council promptly passed a decision to stabilize commodity prices and the market.

It is necessary to point out that the steps adopted by the state for pricing reform are prudent, and that no drastic measures will be taken next year for pricing reform. The state will take resolute action to ensure that next year's retail price rise will decrease markedly over that of this year. In order to safeguard the masses' interests, banks

will initiate a value-saving deposit account. Party organizations at all levels should clearly explain these measures to party members and common people as well.

We should always bear in mind that in surmounting difficulties and winning victories, we draw our strength from the party's fine traditions of bringing into play the role of party organization as fighting bastions, reinforcing instructions and orders with concerted action by all party members, strengthening discipline, and subordinating individual interests to overall interests. Under the current situation, it is even more necessary to carry forward these traditions, which should under no circumstances be abandoned.

In strengthening party discipline, we should also strive to endure the severe test of reform in order to tide over difficulties and win victories. All party organizations and members should be thoroughly aware of their important historical mission, and conscientiously undergo the test. Party organizations at all levels should actively carry out their work and bring into play their role, while party members should persist in making reform through concrete actions.

Party member-cadres of party and government organizations at all levels should perform their duties in all seriousness and resolutely implement the Party Central Committee's instructions as well as the State Council's decisions on stabilizing prices and the market. Party member-cadres of industrial and commercial enterprises should set a good example in observing state policies and laws and enforcing government regulations on supervising market prices, and should not increase prices without authorization. No party member should listen to or spread rumors, or rush to purchase goods to drive up prices. This is an important requirement for all party members for maintaining high party standards, as well as (a major code of conduct).

All party organizations and members should consider the overall situation, strictly observe discipline, and reinforce orders and prohibitions. Party members who fail to consider the overall situation and violate discipline should be given severe disciplinary punishment.

Shandong's Jinan City Party Congress Ends
*SK1009034988 Jinan Shandong Provincial Service
in Mandarin 2200 GMT 7 Sep 88*

[Text] The Fifth Jinan City CPC Congress concluded on 6 September after a 6-day session. Through full deliberations and democratic election, the Fifth Jinan City CPC Committee was produced.

At the first plenary session of the Fifth Jinan City Party Committee which was held on the morning of 7 September, He Guoqiang was elected secretary of the Jinan City Party Committee; and Zhai Yongbo was elected deputy secretary of the city party committee.

The Discipline Inspection Commission of the Jinan City CPC Committee, which was elected by the fifth Jinan City Party Congress, also held its first plenary meeting on the morning of 7 September. At the meeting, (Sun Jinghan) was elected secretary of the Discipline Inspection Commission of the Jinan City Party Committee.

Shanghai Workers Expose Speculating Officials
*HK1009025288 Beijing RENMIN RIBAO in Chinese
3 Sep 88 p 1*

["Dispatch From Shanghai": "A Letter From Some Employees in Shanghai Nonferrous Metal Undertaking Exposes 'Speculating Officials'"]

[Excerpts] Some employees in a Shanghai nonferrous metal undertaking sent a letter to RENMIN RIBAO exposing 'speculating officials.' They did not say where they worked or give their names because they were in a difficult situation.

The letter points out: "On 28 August RENMIN RIBAO carried a report saying that the Jiangsu Yizheng aluminum products factory had stopped operating for over a month because the prices of raw materials had exceeded those of finished products. This report aroused strong repercussions in a Shanghai nonferrous metal undertaking, as many nonferrous metal enterprises in Shanghai are in a similar predicament, some have stopped operating, and others are facing a sharp drop in their economic results. This situation has resulted from the foul activities of 'speculating officials.'"

The letter reveals: "As nonferrous metallic products have fallen short of supply this year, government-run 'companies' and 'centers' abuse their powers to resell these products by raising their prices at will. As a result, the prices of nonferrous metallic products have risen sharply." [passage omitted]

"What is more terrifying is that some 'speculating officials' take advantage of some enterprises' strong desire for raw materials to engage in 'short sales' of raw materials so as to defraud these enterprises of their money. For example, an army cadres' sanatorium claimed that it had 150 tons of electrolyzed copper to sell and that a delivery contract and a delivery order were ready. An enterprise remitted 1.7 million yuan to the sanatorium for purchase, but not a single ton of copper has been delivered so far."

The letter strongly demands that the state take resolute measures to stop the illegal activities of "speculating officials," to formulate regulations on the supply of materials, to exercise stricter management over industry, commerce, taxation, and public security, and to abolish the double track system. Otherwise, it will be impossible to develop the productive forces and to ensure stability in the country.

Shanghai Leader Makes Visits, Speaks to Groups

Inspects Flooded Areas

OW1109152688 Shanghai City Service in Mandarin
2200 GMT 4 Sep 88

[Excerpts] After attending the 11th Plenary Session of the Political Bureau of the CPC Central Committee, Jiang Zemin, secretary of the Shanghai municipal party committee, returned to Shanghai yesterday morning. After learning that yesterday's heavy rainstorms flooded several thousand homes and many road sections in Shanghai, he, not concerned about resting, joined Huang Ju, deputy secretary of the municipal party committee and vice mayor of Shanghai; Wang Liping, member of the Standing Committee of the municipal party committee and secretary general of the municipal party committee; Vice Mayor Ni Tianzeng; and other leaders of the departments under the municipal party committee and municipal government, in inspecting flooded areas.

Comrade Jiang Zemin and other leaders first went to a section of the Chongqing Road in Luwan Ward where the waters were quite deep. They waded through the waters to visit residents whose homes were flooded and listened to the comments and requests made by travelers along the road. [passage omitted]

Comrade Jiang Zemin instructed departments concerned to heighten their vigilance and step up typhoon-fighting, flood-control, and water draining work. He also told them to speed up the building of pumping stations in order to improve the situation in waterlogged areas year-by-year. [passage omitted]

According to the statistics compiled at 1100 yesterday by the Shanghai Municipal Flood Control Headquarters, rainfall in the 24-hour period on the day before yesterday exceeded 100 mm in the municipality's urban and rural areas, except Nanhui and Qingpu Counties. The heaviest rainfall in the urban area was in Dinghaigang, where 183 mm was recorded. The heaviest rainfall in suburban counties was in Jinshan County's Pingling Township, where 250.6 mm was recorded. In the urban district 130 road sections and 18,680 homes were flooded.

Speaks at Academy Anniversary

OW1109133788 Shanghai City Service in Mandarin
2200 GMT 7 Sep 88

[By reporter Sun Jianping]

[Text] The Shanghai Academy of Social Sciences, which was founded in 1958, celebrated its 30th anniversary on 7 September. A gala gathering was held at the academy in the morning.

Jiang Zemin, secretary of the Shanghai municipal party committee, attended the gathering to offer his congratulations, and spoke on the development of social sciences in Shanghai.

In his speech, Jiang Zemin praised the academy as a trustworthy consultative body and think tank for the municipal party committee and the municipal government. He said: The deepening of the reform calls for innovative theories. Theoretical workers should enhance their sense of responsibility toward society, and hold themselves responsible for studying and answering a series of new problems cropping up in the reform.

He said: Theoretical breakthrough and innovation need a democratic, united, harmonious environment. It is necessary to uphold the principle of letting a hundred flowers blossom and a hundred schools of thought contend, and to stress freedom in academic research and discussion. Discussions, debates, and criticisms between different views, as well as mistakes, should be tolerated. We should not put impractical and unreasonable demands on theoretical workers. They should be allowed to make mistakes as well. Moreover, it is impossible to judge the correctness of certain theoretical issues in a short period of time. They are to be decided after thorough discussions and verified by practice.

Stressing the importance of intensifying the research on applied theory and persisting in making social sciences serve the reform and open policy, Jiang Zemin said: The whole society should show concern for and support the undertaking of social sciences. We must rouse ourselves in developing the undertaking of social sciences in Shanghai.

Vice Chairman of the Municipal CPPCC Committee Xie Xide; director of the Propaganda Department of the municipal party committee Chen Zhili; officials of the Chinese Academy of Social Sciences; foreign experts and scholars; and people from various circles in Shanghai, totalling some 1,400, were at the gathering.

Listens to Workers' Views

OW1109120788 Shanghai City Service in Mandarin
2200 GMT 8 Sep 88

[Excerpts] Jiang Zemin, secretary of the Shanghai Municipal CPC Committee, attended a workers' forum held in the Municipal Trade Union Council Building on the afternoon of 8 September. During the 3.5-hour meeting, he attentively listened to the opinions expressed by 20 workers and grassroots cadres from the forefront of production of 16 trades and professions, including the cotton textile industry, metallurgical industry, harbor administration, shipbuilding industry, public transportation, and catering trade, in Shanghai. [passage omitted]

Jiang Zemin pledged to hold similar forums more often to hear opinions and suggestions from workers from the forefront of production. He also pledged to hold discussions with the departments concerned and seriously deal with the problems pointed out by the workers.

At Teachers' Day Meeting

OW1209170988 Shanghai City Service in Mandarin
0900 GMT 9 Sep 88

[Excerpt] Leaders of the party and government organizations in Shanghai Municipality joined 1,800 teachers at a grand meeting this afternoon to celebrate the fourth Teachers' Day.

Vice Mayor Xie Lijuan chaired the meeting.

On behalf of the municipal party committee, the municipal government, and the people of the municipality, Secretary Jiang Zemin of the municipal party committee extended warm congratulations to the teachers, expressed heartfelt thanks to them for working hard to educate the younger generation, and extended cordial greetings to and high respect for the retired teachers.

Comrade Jiang Zemin then pointed out: Shanghai's economic development is now at a historic turning point, which has set new requirements for the training of qualified people in the municipality. Much improvement is to be made in education. It is, therefore, necessary to deepen the reform in the educational field.

Jiang Zemin emphatically pointed out: Teachers are the mainstays of schools. The key to efficiently running schools is to have a contingent of proficient teachers of high morality who are good at educating people. This is also where we place our hopes for the development of education. Therefore, departments in charge of education and schools of various types and at various levels should make the party's principles and policies clearly known to large numbers of teachers and implement these principles and policies among them. Further efforts should be made to encourage the whole society to respect teachers and attach importance to education and to make it a regular practice to do something practical and good for both teachers and education.

At the meeting, Chen Tiedi, vice chairman of the Standing Committee of the Shanghai municipal People's Congress and secretary of the party committee of the municipal education and public health departments, read out a decision of the State Education Committee on commending middle and primary schools and school teachers for their achievements in conducting moral education. [passage omitted on commended schools and teachers]

Central-South Region

Guangdong Province Restricts Religious Practice

HK0409043288 Hong Kong PAI HSING in Chinese
No 175, 1 Sep 88 pp 22-23

[Circular issued by Guangdong Provincial People's Government: "Regulations on Administrative Management Over Religious Places in Guangdong"]

[Text] Editor's note: The following is an important document promulgated recently by the Guangdong provincial government. This document obtained by PAI

HSING is now published for your perusal. According to this document, almost all religious activities should be approved first by the relevant government departments. The activities carried out without authorization will be regarded as "illegal." As the document limits religious activities in permitted places, underground churches and family gathering are of course banned. There are also restrictions on religious activities carried out by Hong Kong, Macao, Taiwan, and overseas missionaries in Guangdong. Although ordinary people now have the freedom to visit all places throughout the country, they have to submit applications and register for their religious activities that transcend provinces, cities, and counties. There are also rules on other aspects. Please read the document carefully. Although the document has fine-sounding words such as "democratic management," all religious activities are now under the control of government administration. The subheads are ours. [end editor's note]

Document of the Guangdong Provincial People's Government [subhead]

Circular on promulgating the "Regulations on Administrative Management Over Religious Places in Guangdong" (Document No 44, 1988 of the Guangdong provincial government)

The people's governments of all cities, counties, and autonomous counties and all units directly under the provincial government:

The document "Regulations on Administrative Management over Religious Places in Guangdong" is now distributed to you for earnest implementation. 23 March 1988

Regulations on Administrative Management Over Religious Places [subhead]

Chapter One General Principles

Article 1 To protect normal religious activities, these regulations are enacted in light of the PRC Constitution and relevant state laws and in connection with Guangdong's actual reality.

Article 2 Citizens enjoy freedom of religious belief. No individual may compel citizens to believe in, or not to believe in, any religion; nor may they discriminate against citizens who believe in, or do not believe in, any religion.

Article 3 The religious affairs department of the people's government at all levels exercises administrative leadership over religious places.

Chapter Two Religious Places

Article 4 Religious places refer to Buddhist monasteries, Daoist temples, Islamic mosques, Catholic and Christian churches (hereinafter abbreviated monasteries, temples, mosques, and churches), religious institutes, and simply equipped places for the masses to carry out religious activities.

Article 5 Those who wish to resume and open up the existing monasteries, temples, mosques, and churches and set up simply equipped places for religious activities should apply and register at the religious affairs department of the people's government at and above the county level.

Those who wish to run religious training classes should apply and register at the religious affairs department of the people's government at and above the city level.

Those who wish to run a religious institute should apply and register at the religious affairs department of the provincial people's government.

The legitimate rights and interests of the above applicants will be protected upon approval and registration of their applications. Religious activities will not be allowed without authorization.

Article 6 The religious places opened up with approval of the people's government prior to the promulgation of these regulations should go through the supplementary formalities at the religious affairs department of the people's government if they had not registered before.

Article 7 Those who wish to amend the approved matters concerning religious places and religious training classes should submit an application to the religious affairs department of the people's government at and above the city level for examination and approval.

Article 8 The building of new monasteries, temples, mosques, and churches should be approved by the religious affairs department of the provincial people's government.

Chapter Three Management of Religious Places

Article 9 Under the guidance of the patriotic religious organizations, the representatives of missionaries and disciples should participate in the management organs and exercise democratic management over the religious places opened up with the approval of the authorities.

Article 10 The religious places should abide by the constitution, laws, and policies of the state; safeguard state sovereignty and unity; uphold the principles of independence and self-restraint; and never carry out activities that run counter to the socialist system, disrupt social order, and injure the physical and mental health of citizens.

Article 11 The religious places should accept guidance of the cultural relics, urban planning, public security, and garden departments; maintain the cultural relics, buildings, facilities, and parks around them; and do a good job of security and fire prevention work.

Article 12 Reconstruction and expansion of the monasteries, temples, mosques, and churches should be approved by the religious affairs department of the people's government at and above the county level.

Those who wish to requisition for the monasteries, temples, mosques, and churches and the corresponding monuments, towers, tombs, walls, parks, and courtyards should consult with the religious organizations which own the premises or have the right of use. The application for requisition should be submitted to the religious affairs department of the provincial people's government for approval.

Maintenance of the monasteries, temples, mosques, and churches should be reported to the religious affairs department of the people's government for the record.

In light of relevant regulation, all activities that involve the cultural relics, urban planning, and garden departments should be submitted to the departments concerned for approval.

Article 13 No unit or individual may occupy or damage the religious places. Without approval of the monastery, temple, mosque, and church management organs and the religious affairs department of the people's government, no unit or individual may set up commercial and service centers or stalls within the monasteries, temples, mosques, and churches or exhibit goods there.

Article 14 The shooting of films and television series within the monasteries, temples, mosques, and churches should be approved by the religious affairs department of the people's government at and above the city level. Approval from the cultural departments will be necessary if these are protected historical relics.

Article 15 Democratic management should be exercised over income and expenditure of monasteries, temples, mosques, and churches. Financial rules and regulations should be established and perfected and no individual may take the income of monasteries, temples, mosques, and churches as his own.

Article 16 The monasteries, temples, mosques, and churches opened up with approval of the authorities may set up guesthouses and snack bars and engage in agriculture, forestry, animal husbandry, and sideline occupations. In doing so they should follow the relevant policies and regulations of the government.

Chapter Four Religious Professionals

Article 17 Religious professionals refer to Catholic bishop, priest, and nun; Christian pastor and preacher; Buddhist monk and nun; Daoist priest and nun; Islamic imam; and other personnel taking religion as a profession who have obtained approval of the patriotic religious organizations at and above the county level and have reported to the religious affairs department of the people's government for the record.

Article 18 The Buddhist and Taoist monasteries and temples should decide on the number of their personnel according to practical needs. The number of personnel of the country's major monasteries and temples should be submitted to the provincial people's government for approval, while that of other monasteries and temples may be approved by the people's government at and above the county level. Transfer of personnel within the authorized size should be approved by the religious affairs department of the government.

Article 19 With approval of the religious affairs department of the people's government at and above the city level, religious professionals and graduates of religious institutes shall be assigned by the provincial and city patriotic religious organizations to the religious places according to needs.

Article 20 Religious professionals who wish to carry out religious activities outside the province should obtain approval of the religious affairs department of the provincial people's government; those who wish to carry out religious activities in other cities and counties should obtain approval of the religious affairs department of the city and county government concerned. Religious professionals who temporarily live in the monasteries, temples, mosques, or churches should register at the local public security organs according to regulations.

Chapter Five Religious Activities

Article 21 The normal religious activities of the approved religious places shall be protected by the law. No unit or individual may carry out anti-religious and atheist propaganda within the places of religious activities.

Article 22 No individual may carry out feudal superstitious activities including divination and fortune-telling which do not belong to religion within the religious places.

Article 23 With approval of the religious affairs department of the people's government, religious professionals may hold the necessary religious ceremonies in light of religious customs for their disciples at the graveyard, funeral home, hospital, or homes of disciples.

Article 24 Apart from the open religious places and the places stipulated in Article 23, no individual may preach sermons, carry out religious activities, or distribute religious propaganda material in public places.

No individual may make use of religion to carry out activities that hinder the state's education system and disrupt school order.

Article 25 The verified religious professionals who are in charge of the religious activities shall perform the religious duties in the religious places. Those who wish to invite religious professionals from other localities to take charge of the religious activities and preach sermons should first apply to the religious affairs department of the people's government at and above the county level. Non-religious professionals are not allowed to perform religious duties.

Article 26 The patriotic religious organizations at all levels may send personnel to the places under their jurisdiction to carry out religious activities.

Article 27 Those who wish to print and publish religious books and periodicals and produce video tapes should obtain approval of the religious affairs department of the people's government at and above the city level and should follow the regulations of the publication departments.

Article 28 The religious organizations may sell and distribute approved religious books, periodicals, video tapes, articles, and art products within the monasteries, temples, mosques, and churches.

Article 29 The disciples from among Hong Kong and Macao compatriots, Taiwan compatriots, Overseas Chinese, foreigners of Chinese origin, and foreigners may live and carry out religious activities in Guangdong's monasteries, temples, mosques, and churches opened to them. They should abide by China's constitution and laws and the regulations of the religious places concerned. They may not preach sermons or distribute religious propaganda material without authorization.

Article 30 In light of religious customs, alms and donations voluntarily contributed to China's religious places by disciples from among Hong Kong and Macao compatriots, Taiwan compatriots, Overseas Chinese, foreigners of Chinese origin, and foreigners are acceptable.

To accept donations contributed by Hong Kong, Macao, Taiwan, and foreign religious organizations, the religious places should obtain approval of the religious affairs department of the people's government at and above the county level and then report to the provincial authorities for ratification.

Chapter Six Supplementary Articles

Article 31 Those who violate these regulations will be criticized and educated by the religious affairs department of the people's government if the cases are not too serious. Those who violate the "Regulations of the PRC on Public Security Management and Meting Out Punishment Against Violations" shall be handled by the

public security organs. If the violations constitute an offense, the judicial organs will investigate and affix their responsibility for the crime according to law.

Article 32 Regarding the building of new monasteries, temples, mosques, or churches and religious activities organized without authorization, the religious department of the people's government will issue orders urging the personages concerned to stop doing so. If they refuse to accept the orders, the public security organs will take coercive means to handle the cases according to their seriousness.

Article 33 These regulations shall become effective from 1 May 1988.

Hainan CPC Committee Regulations Reviewed
*HK0809025688 Haikou Hainan Provincial Service
in Mandarin 1000 GMT 6 Sep 88*

[Text] The following are the working regulations for the first Hainan Provincial CPC Committee adopted by the First Session of the First Hainan Provincial CPC Committee on 5 September 1988:

In order to give full play to the collective leadership of the provincial party committee and to strengthen democratic centralism, the First Session of the First Hainan Provincial CPC Committee hereby enacts these regulations, in accordance with the relevant provisions of the CPC Constitution:

I. Functions and Powers

1. To discuss and make decisions on affairs concerning the province, according to the line, principles, and policies laid down by the central authorities and to the decisions concerned adopted by the provincial party congress.
2. To elect members of the Standing Committee, secretary, and deputy secretaries of the provincial party committee, and submit the name list to the CPC Central Committee for approval.
3. To listen to and examine work reports submitted by the standing committee of the provincial party committee, to discuss and examine any personnel issues raised by the Standing Committee.
4. To be responsible to the provincial party congress and submit work reports to the same congress; the provincial party committee is empowered to convene, when necessary, a provincial conference of party delegates to discuss and make decisions on major issues that need to be resolved promptly.

5. To discuss and examine any important matters raised by the provincial Discipline Inspection Commission, the provincial people's representative conference, the leading party group of the Standing Committee of the provincial people's representative conference, the leading party group of the CPPCC provincial committee, and the provincial government.

6. To be responsible to and submit work reports to the CPC Central Committee.

II. Meetings

1. In general, members of the provincial party committee shall meet once every quarter; an enlarged session of the provincial party committee can be held when necessary. The topics for discussion shall be set forth by the secretary of the provincial party committee who is to convene and preside over the meeting. Deputy secretaries or other members of the Standing Committee of the provincial party committee, entrusted by the secretary of the provincial party committee, can also preside over the meeting.

2. The quorum for a provincial party committee meeting must be formed by at least half of the committee members. If any members of the provincial party committee cannot attend a committee meeting, they may submit their opinions or suggestions on the topics for discussion before the meeting opens.

3. The date and the topics for discussion of any plenary session of the provincial party committee, except unscheduled meetings, shall be announced in advance.

4. Before making any decisions, a provincial party committee meeting shall fully discuss the issues concerned and make thorough consultations. Important decisions shall be put to the vote based on majority rule.

5. A briefing on a provincial party committee meeting can be made within the party, provided that the meeting agrees to do so. Any decisions and documents adopted by the meeting shall be announced promptly, provided that the meeting agrees to do so.

III. Strengthening Democratic Centralism

1. The provincial party committee practices a collective leadership system. No individual member of the provincial party committee can make decisions that are supposed to be adopted by the provincial party committee collectively, or change any decisions adopted by the provincial party committee. Before new decisions are duly adopted by the provincial party committee to supersede the old ones, no individual member of the provincial party committee is allowed to take any action in violation of the currently valid decisions, even if the individual member disagrees with the decisions or has found new circumstances that counter the decisions.

2. Contents of a provincial party committee meeting, except those matters that the meeting has agreed to reveal within the party and to the public, shall be kept secret and concealed from non-committee members.

3. An information exchange system must be established within the provincial party committee. Members of the provincial party committee are duty-bound to report to the committee any important problems that they have discovered in their work. Members of the provincial party committee shall be informed of the content of any document issued in the name of the provincial party committee.

4. If any member of the provincial party committee has committed any act in violation of party discipline, the provincial party committee shall suggest disciplinary action against him according to his case and handle the case according to the procedures prescribed by the party constitution.

Henan Leader Views Propaganda, Ideology Issues
HK1109021188 Zhengzhou Henan Provincial Service in Mandarin 2300 GMT 10 Sep 88

[Excerpts] Serve the effort to publicize and implement the party's basic line for the initial stage of socialism, the effort to establish a new order of socialist commodity economy, and the effort to build socialist spiritual civilization—this was stressed by provincial party committee Secretary Yang Xizong as the guiding idea for our current propaganda and ideological work, in a speech at the provincial conference on propaganda and ideological work. The conference concluded in Zhengzhou on 8 September after 4 days in session. Provincial leaders Yang Xizong, Yao Minxue, and Zhang Zhigang attended the meeting. [passage omitted]

Yang Xizong pointed out in his speech that developing the productive forces, building the four modernizations, and invigorating China constitute the firm and explicit political goal for the whole party and the people of the whole country. To boost national spirit, unify the people's thinking, and have a clear idea on [words indistinct] constitute the unshirkable responsibility of workers engaged in propaganda and education and ideological and political work. The current situation is stable. We should clearly explain this point, to ensure that the masses will clearly recognize the excellent situation and the bright prospects. Of course we should also clearly explain the difficulties and challenges facing us. [passage omitted]

Discussing violations of law and discipline among some of the cadres such as abusing and manipulating power for private purposes, engaging in bribery and corruption, and pursuing extravagance and waste, Yang Xizong said that in addition to stepping up party discipline, building systems, and making our work more visible, we must also step up ideological and political education for party-member cadres. [passage omitted]

On the enterprise leadership setup, Yang Xizong reiterated that we should advocate that the enterprise party committee secretary concurrently serve as political deputy manager of the enterprise, or else that the manager and secretary share the burdens between them, to ensure that ideological and political work in the enterprises and the economic departments will be closely integrated.

Comrade Yao Minxue spoke on the main tasks facing propaganda and ideological work in the new situation; on how to step up and improve this work; and on a number of problems in literature and art work.

The meeting relayed the spirit of the national forum on propaganda and ideological work and the national literature and art work conference. [passage omitted]

Huang He Valley Provides Energy Resources Base
OW0909141388 Beijing XINHUA in English 1417 GMT 8 Sep 88

[Text] Zhengzhou, September 8 (XINHUA)—The Yellow River Valley, an area frequently troubled by natural calamities, has now turned out to be rich in energy resources, experts concluded here today.

Having supplied the country with 33 percent of China's total coal output, 29 percent of its petroleum output and 12 percent of its total hydroelectric power output in the past decade, the valley will produce 600 million tons of coal a year and have 10 more hydropower stations on the river in the near future.

According to figures released at a planning meeting on opening up the valley, its coal reserves take up 46 percent of China's total, petroleum 26 percent, bauxite 48 percent, rare earth 96 percent and molybdenum 44 percent.

The energy resources are widely scattered with hydroelectric power on the upper reaches, coal on the middle reaches and petroleum on the lower reaches.

Covering 750,000 square kilometers, and with 18 million hectares of farmland and a 130 million population, the valley was once ancient China's cradle of civilization as a political, economic and cultural center.

Nevertheless, it came to be one of the nation's most impoverished zones because of continuous floods, drought and famines for centuries, the experts noted.

In the past 30 years China has invested more than five billion yuan in controlling the Yellow River and opening up its valley. The successful control of flooding has spurred economic development all over the zone, they said.

The opening up of the Yellow River Valley started with the tapping of the river's hydroelectric power. China has invested four billion yuan to construct hydropower stations along its upper reaches.

Following the completion of four large and medium-sized hydropower stations built across the Liujia, Yanguo, Bapan and Qingtong gorges, the construction of the Longyang gorge dam is now under way, and three power generation units there went into operation in 1987.

As the largest water control project on the Yellow River, a reservoir created by the dam at the Longyang gorge will have a storage capacity of 24.7 billion cubic meters, and a power station there will generate six billion kilowatt-hours of electricity a year.

Thanks to the development of hydropower industry, China's western provinces and autonomous regions have become a base for the nonferrous metal industry.

Hydropower has made Gansu Province, an economically underdeveloped area, the leader in the nonferrous metals industry.

There are 20 nonferrous metal smelting and processing enterprises in Shaanxi, Gansu, Qinghai and Ningxia, supplying more than 10 million tons of nonferrous metals, which symbolizes a transfer of the nonferrous metals industry from China's east to the west.

In the valley of the lower reaches of the Yellow River, the Zhongyuan oilfield has been opened up after the Shengli oil field, the second largest in China.

More advanced technology and equipment as well as some foreign drilling teams have been introduced to the Zhongyuan oilfield in order to master its complicated underground texture and build an oil and gas production base.

Some 4,859 sets of equipment have been brought in from abroad and about 430 million U.S. dollars in foreign investment poured into this oilfield.

The two oilfields have set up a number of large petrochemical enterprises such as the Zibo ethylene plant with a capacity of 300,000 tons of ethylene products, and the Luoyang oil refinery capable of processing 5 million tons of crude oil a year, as well as some fertilizer plants.

In the middle reaches of the valley, China has found rich coal deposits along the west bank of the Yellow River in the section from Shaanxi to the Inner Mongolia Autonomous Region. Two coalfields, the Dongsheng and Zhungeer coalfields, are being opened up.

Chen Xiande, an expert engaged in the valley's development planning, said that within half a century the coal output in the middle reaches of the Yellow River valley will meet 50 percent of China's domestic demand.

Along with the growth of the energy industry in the valley, industrial cities focusing on energy projects have been set up. For example, Dongying and Puyang Cities specialize in the oil industry, Dongsheng is a coal base, and Jianchun specializes in copper, silver and nickel.

Zhang Qingli, vice-mayor of Dongying City, which has one million people and is located on the Yellow River Delta, said that his city aims to develop its agricultural resources with the help of its oil industry.

Yangtze River Level Threatens Hubei Capital
OW1109023288 Beijing XINHUA in English
1355 GMT 10 Sep 88

[Text] Wuhan, September 10 (XINHUA)—Successive rain storms in the upper and middle reaches of the Yangtze River have pushed the water level at Wuhan, capital of Hubei Province, above the flood-warning line.

The level reached 26.51 meters, 0.2 meter higher than the warning line, at 3 a.m. today.

The water is still rising, an official from the local flood control headquarters told XINHUA today.

The river bank may be breached if more heavy rains fall in the next few days, said the official.

More than 1,000 people in the city have been mobilized to patrol the river bank. Shock brigades are being organized to fight the flood.

Southwest Region

Guizhou Party Leader Views Economic Problems
HK0909011588 Guiyang Guizhou Provincial Service
in Mandarin 2200 GMT 8 Sep 88

[Excerpt] Provincial party committee Secretary Hu Jintao said at a provincial meeting of economic commission directors, which concluded on 8 September: In the next few months, the leaders at all levels throughout the province must strive to overcome difficulties, fulfill the year's industrial and communications production plans, and put the work of controlling prices and stabilizing the markets on a firm basis.

Hu Jintao said that in the first 8 months of this year, despite serious shortages of electric power, petroleum, and transport, the province's industrial output value was 6.97 billion yuan, a rise of 14.2 percent over the same period last year. Enterprises covered by the budget basically succeeded in gaining synchronous increases in output value, sales income, and profits and taxes. The growth rate of collective industry started to rise from a decline.

However, we must also see the existing problems and the difficulties facing us. It will be very difficult to organize production in the next few months. The leading comrades at all levels must keep clear heads, improve their ability to make predictions, make a more ample estimate of the difficulties, consider their measures more carefully, and do their work in a still more sound way. They must promptly coordinate and solve the various contradictions in production and strive to ensure the fulfillment of the year's industry and communications plans.

Hu Jintao said that the problem of big and indiscriminate price increases was very prominent recently, and panic buying occurred. This has affected not only the masses' living standards but also economic stability, and interfered with the development of reforms. We must by no means regard this lightly. The provincial party committee and government recently adopted eight measures to control prices and stabilize the markets. The party committees and government at all levels must seriously implement these measures, do a thorough job in price inspection, and tangibly correct the phenomenon of indiscriminate price hikes. [passage omitted]

Yunnan Organization Work Conference Ends
HK1209030688 Kunming Yunnan Provincial Service in Mandarin 1100 GMT 11 Sep 88

[Text] A 6-day provincial conference on organization work concluded in Kunming yesterday, which conscientiously discussed how to implement the spirit of the 13th NPC National Congress and the national conference of organization work in an all-around way, how to govern the party with strictness, and how to deepen the personnel system relating to cadres so as to ensure the implementation of the party's basic line, and proper arrangements for work in these fields were also made at the meeting. Concentrating on the two major subjects of governing the party with strictness and deepening the personnel system relating to cadres, the meeting made some constructive suggestions for organization work by integrating theory with practice in the spirit of the documents issued by the party Central Committee and the provincial party committee.

The meeting maintained that the key to governing the party with strictness lies in keeping the party and the government free of corruption, and especially in conducting ideological education in party and government organs and among leading cadres, so that the whole party will act in unison in tackling the problem. Leading cadres must set good examples and be strict with themselves. At the same time, ideological education must be strengthened among party members so as to enhance their ability to remain free of corruption. All party members from the higher levels to the grass-roots must be strict with themselves. Only by so doing will it be possible to attain the objective of governing the party strictly.

The meeting noted: The party must take care of its own affairs and improve the quality of party members with high standards. As things are now some rules and regulations are a mere scrap of paper and are not complied with accordingly.

The meeting emphasized: In handling unqualified party members, we must proceed from the reality that our province is located in border areas and is a multinational province. We must have either a serious or prudent attitude toward the issue. To increase the visibility of the personnel system relating to cadres, promotion of cadres must be made public to the people, cadres must be put under the supervision of the people, the principle of equal opportunity in selecting cadres must be adhered to so that more talented people will be able to face competition with their competence in work. According to the features of different types of cadres, the methods of democratic election, recommendation and appraisal and public recruitment and examination must be adopted so as to select cadres who have both ability and political integrity. Macroscopic controls over cadres must be strengthened. Attention must be given to selecting non-party cadres, cadres of minority nationalities and woman cadres.

It also exchanged experiences in guiding party members to resist of their own accord the corrosive influence of decadent ideology and that they appraise the work of party members in a democratic way.

The meeting specially discussed and revised some preliminary reports prepared by the provincial party committee organization department on establishing the avoidance system for the provincial leading cadres, on the test project for properly handling unqualified party members, on the retirement system of cadres, and on strengthening and improving the work of selecting reverse cadres. After being discussed, revised and improved at the meeting, these reports were made known to lower levels for implementation.

Official Calls for Halt to Destructive Lumbering
HK0809105588 Kunming Yunnan Provincial Service in Mandarin 1000 GMT 7 Sep 88

[Excerpt] In order to implement the important directive issued by State Council Vice Premier Tian Jiyun on immediately ending the indiscriminate felling of trees and destructive lumbering of forests on the upper reaches of the Jinsha Jiang, Forestry Vice Minister Liu Guangyun recently proposed three measures to eliminate the problem of the indiscriminate felling of trees and destructive lumbering of forests and to maintain the long-term stability in the forest areas. He made the proposal when he inspected the prefectures of Dali, Deqen, and Lijiang.

The three measures are: 1) Enforce the law strictly and administer forests according to the law. Criminals who violate the forestry law and regulations prescribed by the

relevant central documents, fell and lumber trees indiscriminately, and engage in the illegal trading of timber should be punished severely according to the law, and we should show them no mercy. 2) Tighten controls over the timber market and improve the channels for timber circulation. The timber market should be checked on constantly and consolidated. Timber should be purchased resolutely and traded according to the relevant regulations issued by the central government and be controlled in a unified manner and purchased at regular intervals by forestry departments. Meanwhile, timber produced by forest farmers themselves should be sold under license in designated markets. Those who sell timber without a license should be dealt with according to the law and their timber confiscated. 3) Further improve the contract responsibility system in forestry production and encourage forest farmers to cooperate in various ways. People in forest areas should often be taught to take good care of land for personal needs in mountain areas and contracted hills, and forests in contracted hills particularly should in no way be felled wantonly. [passage omitted]

Drought Causes 'Acute' Power Shortage in Yunnan
*HK0709131088 Kunming Yunnan Provincial
Service in Mandarin 1000 GMT 6 Sep 88*

[Text] This year's severe droughts have reduced considerably the storage capacity of the (Maojiaozhuang) reservoir on the Yili He. As a result, the contradiction between supply of and demand for electricity has become very acute, with a shortage of 500 million kilowatt hours of electricity. Therefore, consuming power in a planned way and economizing on electricity is a task that brooks no delay.

The Provincial Power Supply Bureau has called on cadres and workers of its affiliated units to spare no effort to take great care of power generating equipment, to cut down the time required for maintenance and repair, and to organize thermal power plants to strive to generate 100 million kilowatt hours of more power in an effort to fulfill the provincial annual target of 7.35 billion kilowatt hours and to meet the needs of industrial and agricultural production throughout the province. While taking measures to increase electric energy production, the Provincial Power Supply Bureau has also called on all units to consume power in a planned way and to economize on electricity. A new plan for power allocation from September through December has been worked out, which calls for the strictly planned consumption of power and compensation for overconsumption of power.

North Region

Hebei Leader Discusses Enterprise Mechanism
*SK0909224388 Shijiazhuang HEBEI RIBAO
in Chinese 28 Aug 88 p 1*

[Text] Xing Chongzhi, secretary of the provincial party committee, made an inspection tour in the counties of Huanghua and Renqiu from 24 to 25 August. In holding

talks with entrepreneurs and responsible comrades from these counties, he stressed that the state-run enterprises should boldly introduce the township industries enterprise mechanism which should actively carry out adequately standardized operation.

During his inspection tour, Xing Chongzhi stated that the style of business and management in some state-run enterprises is not as lively as that of town-run enterprises. Therefore, efforts should be made to boldly introduce the mechanism of town-run enterprises and to follow their lead in the fields of personnel, finance, materials, production, supply, and sales. The current problem is that we have excessively managed enterprises and rendered so few services to them.

After visiting some dozen township industries with representative characters, Xing Chongzhi stated: In developing town enterprises, we should still have households, joint households, villages, and townships engage in simultaneous development and open plants suitable to them. However, we should also open a few large backbone enterprises in a planned manner to develop the standardized economy and to carry out an adequately standardized operation. There will be no output or higher output without input or higher input. In addition to investing money in building key projects, we may set up enterprise associations. We should rapidly foster stronger economic strength by seeking those that have scored good economic results and been high in their managerial standard as key production units and by seeking partners from outside counties, districts, and provinces.

During his inspection tour, Xing Chongzhi stated: In developing town enterprises, attention should be paid to doing a good job in separating political work from enterprise management and turning enterprises into independent economic entities. By establishing the assets management cooperation, Xingji Town in Cangxian County enabled its enterprises to employ command personnel and to operate in line with the economic law, and has gained good results. Next, we expect whether we can move all town enterprises into urban areas and concentrate their production strength on urban construction and on the construction of telecommunications, roads, power supply, and pollution control. Merits in doing so are to gradually build small towns into economic centers and to enable rural villages to engage in properly standardized farming.

During his inspection tour, Xing Chongzhi urged the departments concerned to delegate power to grassroots level units and enterprises. He stated: Enterprises, are now complaining of their higher departments by saying "they never care for big events and never delegate the right to govern partial aspects". However, such a right thought to govern partial aspects is actually authoritative and restricts enterprise development. The reason this right is hard to delegate to grassroots level units is related to the interest of departments and the fact that all

procedures of opening enterprises and increasing product variety should be approved by the departments which may then seize the opportunity to force businessmen to host banquets or present gifts if they want their procedures smoothly approved. Judging from this fact, it is impossible for us to fundamentally deal with the problem of dishonesty in performing official duties without thoroughly delegating the right to grassroots level units. I completely agree with the current advocacy of "enterprises without higher authorities." We should not worry about chaos caused by delegating the right and should rely on the law to prevent suffering from chaos.

Secretary on Reform of Inner Mongolian County
SK1009012488 Hohhot Inner Mongolia Regional Service in Mandarin 2200 GMT 7 Sep 88

[Text] In the western part of our region, there is a sensitive area that is discussed widely by the people, but concerning which pertinent departments have made little statement of their position. It is Zhuozi County, which has conducted the overall reform over the past 2 years, which has been discussed like a miracle. How has the reform of Zhuozi County been? After conducting investigations and study in Zhuozi recently, Wang Qun, secretary of the autonomous regional party committee, said that Zhuozi's reform had been a success.

He said: Zhuozi's reform conforms to the guidelines of the 13th party congress and reality. The reform has facilitated the development of productive forces and brought about profound changes to Zhuozi.

Wang Qun said: The groups of figures given by the county are very convincing. Despite a decline in agricultural production for 3 years in succession due to disasters, the standard of living of the people has improved continuously and urban and rural savings have doubled and redoubled. This would have been unimaginable but for reform. Markets are thriving, and I am very pleased with this. Commercial departments and supply and marketing cooperatives have carried out reform and introduced the competition mechanism, thus facilitating circulation of commodities and increasing social wealth.

He said: In just a few years, Zhuozi has attracted so many people to engage in business and absorbed more than 30 million yuan of funds. This has shown that open markets can display tremendous power.

Wang Qun spoke highly of Zhuozi's bravery in touching on the thorny price system first. He said: It is Zhuozi's wage reform that truly embodies the socialist distribution principle of more pay for more work and pay according to work. At the county cement plant, the workers remained unchanged, but their initiative has been aroused. What is the reason? The status of the workers has changed and they have become true masters. An important principle for embodying the superiority of socialism lies in its ability to arouse the initiative of the people.

Wang Qun said: Zhuozi's reform involves political, economic, and other fields of society, and cannot possibly be perfect at the beginning. However, it has given us very good inspiration, and has helped us further emancipate our minds and gradually understand the process of the development of things. This is of very high value and its significance will not be limited to a certain banner or county.

He said: Zhuozi's reform has raised many subjects with me. Take the cement plant for example. I totally agree with auctioning off small enterprises if they can be auctioned off. In particular, those that suffer deficits, of which fixed assets cannot compensate for debts, and that are on the brink of bankruptcy should be sold out bravely. This will not change their socialist nature. Plants and localities should adopt whatever methods—contract, leasing, transfer, or auction—to suit their specific conditions.

Wang Qun said: At present, in signing contracts, most people resort to peaceful talks and haggle over contract terms. The competition and risk-taking mechanisms are not introduced into the contracts.

In conclusion, Wang Qun urged: People should judge Zhuozi's reform with developing dialectical and historical viewpoints. Wide publicity should be given to the good examples emerging in the reform and the media should support the healthy trends and eliminate the evil ones.

In addition, Wang Qun put forward new demands on Zhuozi's future reform and economic development.

Li Ruihuan Speaks at Tianjin Meeting of Cadres
SK1009025388 Tianjin TIANJIN RIBAO In Chinese 29 Aug 88 p 1

[Text] The municipal party committee recently held a municipal meeting of leading party-member cadres to arrange for the major work to be done before National Day. Li Ruihuan, secretary of the municipal party committee, stressed in his speech that it is necessary to properly arrange for market supplies, increase production of goods for everyday use, strengthen market price management, consolidate and develop the excellent situation of our municipality, ensure a happy Mid-Autumn Festival and National Day for the people, and create a good external environment for reform.

Li Ruihuan said: Development of our municipality's situation has been good since the beginning of this year. The party congress and the People's Congress decided on the strategy and major long-term plan for Tianjin's economic development, and the end-of-term reshuffle of the leading bodies of the municipal-level People's Congress organizations was smoothly implemented. Industrial production has steadily grown, and economic results have continuously improved. Solid work to benefit the people's everyday life is being smoothly done,

and market supplies have been fairly normal. Great achievements have been scored in flood prevention work, and a good harvest will still be reaped in agriculture. He pointed out: We should correctly understand the recent important news on the tentative plan for price and wage reforms approved in principle at the 10th Plenary meeting of the Political Bureau of the party Central Committee. Fundamentally speaking, to develop the socialist commodity economy, there must be a rational price system. We must go through the juncture of price reform, neither skirting round it nor being dilatory. Li Ruihuan said: Tianjin people are politically conscious. In the past 10 years, they shared the burdens of the party, exerted efforts together with the government, actively supported and participated in reforms, and made their own contributions, thus displaying the devoted spirit of having the cardinal principles in mind and taking the overall situation into account, and the good mental outlook of actively progressing and bravely pioneering the way forward. Today reform has entered a period of tackling the most difficult problems. Tianjin people should carry forward the spirit of self-respect, self-improvement and self-confidence before the people throughout the country, and support the price and wage reforms with concrete deeds. We should connect the concern of the masses of staff members and workers for commodity prices with the endeavor to improve enterprise economic results, and lead their attention to carrying out production successfully so as to develop production, improve economic results and increase income.

Li Ruihuan said: Having a direct bearing on the vital interests of the masses, market supplies represent a major event in the people's life. As the Mid-Autumn Festival and National Day are just around the corner, we should adopt all means possible to ensure ample market supplies, and improve service so that the masses can spend the festivals happily. The channels for commodity supplies should be widened, and all trades and professions should conscientiously attend to the supply of every commodity they should supply. We should draw in products from various sources through sales exhibitions, joint marketing, and other measures to enrich the markets of our municipality. We should check our warehouses, and tap our stock potential to put as many commodities into the market as possible. Regarding commodities to be sold to coupon holders only, we should ensure enough supply and never make them out of stock. With regard to staple commodities of sufficient supply and which the masses need, we should ensure unlimited supply, and never feel grudging to sell them. The vast number of staff members and workers of commercial units should earnestly improve their service attitude, raise their service quality, treat customers warmly, and do business with civility.

Li Ruihuan said: A success in the production of daily necessities and farm and sideline products is a material guarantee for stabilizing the market and the people's feeling. Regarding 19 kinds of industrial goods for everyday use, such as soaps, matches, tissues, and soda powder, designated by the municipal party committee and

government, the economic commission and various industrial bureaus should pay attention to them, and make sure that the production task of every one of them is not only fulfilled in both quality and quantity but also overfulfilled if possible. With regard to scarce commodities, efforts should be made to acquire more raw materials, and operate in full capacity to step up production. The agricultural committee and various suburban counties should make the production of farm and sideline products successful. In line with the requirements of the municipal party committee and government, efforts should be made to carry out hog raising plans, and increase the number in stock to regulate supply. Conscientious efforts should be exerted to organize the purchase and supply of fresh eggs to ensure balanced supply in line with plans. We must never be careless about the production and supplies of vegetables. Attention should be paid to the supplies of vegetables between summer and autumn, and the prices of vegetables must be stabilized. In particular, we should pay attention to the production of Chinese cabbage. We should ensure their acreage, and strengthen field management to guarantee a bumper harvest. Departments concerned should render active support and work in close coordination to ensure the funds, power, materials and means of transportation are available for the production of industrial goods for daily use and farm and sideline products.

Li Ruihuan said: The municipal party committee and government decided that no more new price adjustment measures will be issued this year, and prices of daily necessities produced by our municipality must not be raised. All state and collective shops as well as individual peddlers should not raise prices presumptuously or in a disguised way, still less ask exorbitant prices at will. Supply policies should be strictly implemented. It is forbidden to specially consider relatives and friends in supplying commodities, retain goods and share them privately, establish unprincipled relations to engage in under the counter deals, and collaborate with people in and outside to sell wholesale alone. Commodities to be sold only to coupon holders should be sold strictly according to regulations, and limits should be set for purchasing scarce commodities. We should strengthen the supervision and inspection of market prices. Industrial and commercial administrative, price, commercial, financial, tax, and public security departments at various levels should organize people immediately, and send them to the grass-roots to generally inspect state and collective shops and individual peddlers, and to comprehensively straighten out the farm products markets, and those composed of groups of stalls. The municipal people's congress standing committee, the municipal CPPCC committee, trade unions, CYL committees, women's federations, and other mass organizations should organize people's deputies, CPPCC members and representatives from various fields to conduct a few large-scale inspections on market prices through various measures. Problems discovered during the inspections should be strictly handled. Law-breaking acts to create chaos in market prices should be sternly dealt with.

Economic sanctions, such as confiscation and fines, should be given to people engaged in hoarding, cornering, speculation, and profiteering for huge profits, and those who violate the criminal law should have their legal liabilities pursued. People who purchase and sell goods forcibly, dominate the market through cheating, and arbitrarily raise prices should be punished according to law; individual peddlers who defy market management, and evade taxes despite repeated education should be duly punished or even have their licenses revoked; and people who rush to purchase commodities, disturb the market, and endanger public order should be punished by public security departments according to public security regulations.

Li Ruihuan also pointed out: The municipal party committee has decided to launch a concentrated municipality-wide activity in September for leading cadres to hold heart-to-heart talks with and render service to the masses at the grass-roots level. Leading persons at the municipal level should take the lead in doing so. They should understand the voice and demands of the masses, heed their opinions, help the grass-roots level and the masses to solve some practical problems, and successfully combine heart-to-heart talks with their service. Li Ruihuan stressed: It is necessary to strengthen leadership and improve workstyles. Party organizations at various levels should pay attention to developing the exemplary and leading role of party members, achieve unity in thinking, strictly enforce discipline, and enable the communist party members, CYL members and cadres at various levels to make still greater contributions to reform and construction.

Northeast Region

Heilongjiang Leader Visits Qingan, Suihua
SK0909054588 Harbin Heilongjiang Provincial
Service in Mandarin 2100 GMT 6 Sep 88

[Text] Sun Weiben, secretary of the provincial party committee, visited and conducted investigations in Qingan County and Suihua City; affirmed the new practice that people adept in farming, emerging in Qingan County's first support-the-poor and mutual-aid farm, helped poor households to develop production and eliminate poverty; and praised Suihua City for implementing special policies toward poverty-stricken townships.

After the output-related contract responsibility system was popularized in rural areas, more than 53,000 peasant households in Qingan County, which lacked the ability for individual operation, were bogged down in poverty for a long time. In spring last year, the Qingan County party committee and government invited the people adept in farming and large households working on a contract basis to lead poor households to organize multifunctioned support-the-poor farms that have entities, or are loosely organized, or engage in service trades. This has yielded fairly good economic and social benefit. Last

year, some 1,300 peasant households in the county which lacked the ability for individual operation joined more than 200 support-the-poor farms, and have witnessed a universal increase in their income. Of these households, 60 percent have eliminated poverty.

Support-the-poor farms in Qingan County have achieved new development this year. By the end of August, another 200 and more farms had been established in the county. These farms carry out optimum labor organization, and expect to enable 70 percent of their poor households to eliminate poverty by the end of this year.

On 4 September, after hearing a report by the farm, Comrade Sun Weiben said: Qingan County's method of establishing support-the-poor farms to lead poor peasants to achieve affluence represents a new creation in the endeavor to deepen rural reform. It might make a still greater step in this work.

On the afternoon of 6 September, Sun Weiben, secretary of the provincial party committee, and Ma Guoliang, secretary general of the provincial party committee, inspected Suihua City in the company of Zhang Huan-chen, secretary of the Suihua City Party Committee, and other leading comrades.

Since 21 April this year, Suihua City has adopted special policies toward three rather poor townships of (Lianhe), [name indistinct] and (Danding). These policies include relaxing control over the purchases of (?several kinds) of grain, relaxing control over hog purchasing quotas, ensuring the contracted purchase fulfillment, ensuring adequate seed retention, grain rations and animal feed, turning low yields into high yields, and turning [words indistinct]. Thanks to the preferential treatment of the special policies, these three townships have surpassed previous records in grain production, the number of hogs in stock, and cash crop production.

Secretary Sun Weiben praised the aforementioned method and achievements of Suihua City. He also hoped that the method will be popularized throughout the province.

Commander on Heilongjiang Defense Construction
SK0909032788 Harbin Heilongjiang Provincial Service
in Mandarin 0900 GMT 5 Sep 88

[Text] The fifth enlarged meeting of the People's Air Defense Committee under the Shenyang Military Region, which ended in Harbin City on 5 September, pointed out: During the coming 2 years, the people's air defense construction of the entire region should be guided by the principle of combining peacetime needs with wartime preparedness; should focus on improving the efficiency of war preparedness, social and economic

results, and urban overall protection capacity; and should undergo deep reform to enhance the comprehensive construction level of the people's air defense projects.

The meeting defined: In the coming 2 years, the entire region should strive to top 40 percent in the utilization rate of the people's air defense projects; should try to realize 1 billion yuan in the annual output value of the people's air defense projects, 100 million yuan in the annual profits of these projects, and 10 million yuan in the annual income to the people's air defense departments themselves; should gradually improve the communication and warning system of the people's air defense projects and heighten the modernization level of this system; and should further gear the people's air defense projects to the needs of rescuing disaster victims during the peacetime and being used as air-raid shelters during the wartime.

Liu Jingsong, commander of the Shenyang Military Region, and Zhu Dunfa, deputy commander of the Shenyang Military Region, attended and addressed the meeting.

In his speech, Commander Liu Jingsong pointed out: The people's air defense work should focus on opening up new ways to attract social funds and should open to the people for business to open up new spheres of social service. In adhering to the principle of combining the peacetime needs with wartime preparedness, we must attend to the construction of the people's air defense projects during the peacetime.

The meeting circulated a notice on commending 15 cities which were named as advanced units of the northeast China in the people's air defense work, of which, Harbin, Jixi, Jiamusi, Mudanjiang, and Suihua are cities of our province. At the same time, the meeting circulated a notice on commending 153 comrades who were named as advanced workers of the northeast China in the people's air defense work. Of these advanced workers, 52 are residents of our province. The meeting issued silk banners and certificates of merit to these advanced units and workers.

Heilongjiang Discusses Policy on Corrupt Members
SK0909053588 Harbin Heilongjiang Provincial Service in Mandarin 2100 GMT 5 Sep 88

[Text] The provincial organizational work conference was held in Harbin city on 5 September. Wang Haiyan, deputy secretary of the provincial party committee and concurrently director of the Organizational Department under the provincial party committee, delivered a speech on eliminating corrupt elements within the party, dealing with incompetent party members, and maintaining the honesty of party and government organs.

Wang Haiyan said: Regarding the elimination of corrupt elements within the party and dealing with incompetent party members, the general demand is: During the second half of this year, we should continuously grasp the experimental work; and during the next year and the year after next, we should conduct the work by a large scale incrementally on the basis of summing up the experiences gained from experimental work, and defining the specific standards and policy limits. All corrupt elements within the party must be resolutely eliminated whenever they are found. We must not be soft on such elements, nor should we be indulgent towards them. Towards incompetent party members, we should adhere to standards, emphasize education, and manage them comprehensively by dealing with different cases in different ways.

Wang Haiyan said: In solving the dishonesty of party and government organs, party members at all levels should first of all grasp the ideological and educational work, should penetratingly conduct mass discussion on how one should play his own role in adhering to honesty of party and government organs, and should distinguish right from wrong in theory. On the one hand, we should commend typical party and government cadres who perform their official duties honestly; and on the other hand, we should dissect serious typical cases of being dishonest in performing official duties to educate party members and cadres with living facts.

Referring to the work of making cadres more public to the masses, Wang Haiyan said: By carrying forward democracy and listening to the opinions of the masses we do not mean discarding party leadership; but mean, in a sense, all the more the need for party leadership. For instance, in conducting democratic recommendation and public opinion polls for cadres, we should consider how many votes they get; however, we should not simply base cadres' performances on the number of votes. Those cadres who adhere to principle and have the ability to do a tangible thing should be boldly promoted to important posts, even though they get a bit fewer affirmative votes. Those cadres who try never to offend anybody but refuse to do tangible things should not be promoted, even though they get more affirmative votes.

Heilongjiang Issues Official Conduct Provisions
SK0409231388 Harbin Heilongjiang Provincial Service in Mandarin 2100 GMT 2 Sep 88

[Excerpts] The Heilongjiang Provincial CPC Committee and the Heilongjiang Provincial People's Government issued some provisions on maintaining honesty among party and government organs and their cadres in the performance of official duties. These provisions compose of the following eight aspects:

1. Efforts should be made to strictly prohibit the party and government organs and their cadres from joining in businesses and operating enterprises. [passage omitted]

2. Efforts should be made to strictly prohibit these organs and their cadres from setting up checkpoints through the abuse of power in order to seek or receive bribes. [passage omitted]
3. Efforts should be made to strictly prohibit these organs and their cadres from hosting banquets or presenting gifts to guests through the use of public funds and none of them is permitted to seek subsidies from their subordinate units directly or in a disguised form.
4. Efforts should be made to strictly prohibit these organs and their cadres from indulging in extravagance and waste.
5. Efforts should be made to strictly prohibit these organs and their cadres from seeking personal gain in dealing with housing affairs.
6. Efforts should be made to strictly prohibit these organs and their cadres from violating the systems of personnel affairs.
7. Efforts should be made to strictly prohibit these organs and their cadres from distributing foodstuffs and subsidies arbitrarily.
8. Efforts should be made to strictly prohibit these organs and their cadres from violating the discipline related to foreign affairs.

In order to ensure the implementation of these provisions on maintaining honesty among these organs and their cadres in the performance of their official duties, the provincial party committee and the provincial People's Government have also issued a circular to this effect. [passage omitted]

In issuing these provisions, the provincial party committee and the provincial People's Government have also urged various localities throughout the province to realistically enhance supervision within or outside the party. The procuratorial and supervisory departments at or above the county level should set up a center in charge of receiving information about economic crimes. Those who have reported to the center the crimes that have been proved to be true after an investigation should be rewarded through a share of the fine in line with a certain rate.

Northwest Region

Gansu Faces Serious Electric Power Shortage
*HK0709030388 Lanzhou Gansu Provincial Service
in Mandarin 2300 GMT 6 Sep 88*

[Text] Due to the low rainfall on the upper Huang He this year, water storage difficulties have been encountered at the Liujiaxia and Longyangxia reservoirs. This means a serious power shortage on the Gansu power grid, over 70 percent of whose power comes from hydroelectricity.

According to the estimates of the departments concerned, there is not much hope of major rainfall on the upper Huang He during September and October. On 5 September, the level of the Liujiaxia reservoir was 21.38 meters below that on the same date last year, representing a drop of 2.2 billion cubic meters in water storage. The natural water storage at the same reservoir on the same date was lower than at the same time in any previous year. In addition, there has been a sharp decline in output of the Liujiaxia, Languoxia, and Batanxia hydroelectricity stations in Gansu during the flood season. Their output has been only 50 percent that of a normal year.

The electric power and reservoir regulating departments of the provincial electricity bureau hope that the departments concerned throughout the province will strictly practice planned and economical power consumption, and reduce the losses caused by power shortage to the minimum.

Qinghai Concludes Propaganda, Ideology Forum
*HK1009021788 Xining Qinghai Provincial Service
in Mandarin 1400 GMT 9 Sep 88*

[Excerpts] The Qinghai provincial forum on propaganda and ideological work concluded today after 4 days in session. During the meeting, provincial party committee Secretary Yin Kesheng delivered a report on the productive forces criterion issue, and Deputy Secretary (Fang Juejia) made a speech on behalf of the committee. Bian Yaowu, member of the Standing Committee of the provincial party committee and vice governor, reported on the province's current economic situation. [passage omitted]

The meeting pointed out that, while launching study and discussion of the productive forces criterion, we must also conduct education in the current situation for the cadres and masses throughout the province. This is an extremely important task facing the party organizations in the 2d half of this year, and must be tackled really well. The main contents of this education consist of taking a firm and clear-cut stand in publicizing throughout the province the tremendous achievements in reform over the past 10 years, teaching the cadres and masses to make an ample estimate of these achievements and a truth-seeking analysis of the existing problems, so as to make full mental preparations for the difficulties and contradictions during the crucial period in reforms. [passage omitted]

Yin Kesheng, (Fang Juejia), and responsible comrades of the provincial party committee's propaganda department were present at the meeting today.

Shaanxi Ensures Employee Participation, Rights
HK1209101088 Beijing GUANGMING RIBAO
in Chinese 30 Aug 88 p 1

[Report by correspondent Bai Jiangang (4101 1696 4854): "Shaanxi Province Takes Concrete Measures To Ensure Employees' Democratic Participation and Right to Social Supervision"]

[Text] At the recent eighth provincial trade union congress, on behalf of the provincial government, Shaanxi Provincial Governor Hou Zongbin put forth several measures to ensure employees' democratic participation and the right to supervise social affairs and won warm support from participating delegates. The measures include:

—When drawing up major principles and policies for economic and social development plans, which involve employees' immediate interests, governments at all levels and departments concerned should invite local trade unions or trade unions in related industries to participate in discussions. In the government-sponsored wage, price, labor, and other specialized organizations which have a bearing on employees' interests, trade union representatives should participate in their work on a regular basis.

—Government or government departments concerned and trade unions are encouraged to make joint decisions in varying degrees on issues concerning employees' democratic rights and immediate interests. In instituting and perfecting authoritative labor arbitration organizations, as employees' representatives, trade unions should participate in the leadership work in labor arbitration.

—In working out policies concerning labor, wage, price, housing, and social insurance, governments and departments concerned should invite trade unions to participate for consultations and make decisions only after employees' opinions are fully solicited.

—It is necessary to establish a regular system of consultation and dialogue between governments and departments concerned on the one hand and trade unions on the other so as to promptly consult and solve major issues involving employees' immediate interests. A joint-meeting system between governments and trade unions will be tried experimentally. Joint meetings between the two parties will be held on principle every 6 months to study policies and reform propositions which touch on employees' immediate interests.

—Governments and competent departments should regard how well employees participate in democratic management and how well employee congresses exercise the "five rights" as an aspect in examining and assessing factory directors' work performance and actively create

conditions for trade unions and vast numbers of employees to appraise government work and to expose and criticize bureaucratic practices and unhealthy tendencies in all governments.

Xinjiang Contains One-Third of Oil Reserves
HK0709123388 Beijing CEI Database in English
7 Sep 88

[Text] Urumqi (CEI)—Chinese competent authorities briefed CEI that the three large basins of Junggar, Tarim and Turpan in China's northwestern Xinjiang Autonomous Region are estimated to contain one-third of the nation's total oil reserve.

Now over 700 square kilometers of oil-bearing areas and 11 oilfields have been found. These include 800 million tons of thin and thick oil respectively and 30 billion cubic meters of natural gas.

By the end of 2000, confirmed oil deposits in the autonomous region is expected to reach 6.5 billion tons in addition to 10,000 cubic meters of natural gas.

Oil, Gas Well Gives High Output
HK0709125888 Beijing CEI Database in English
7 Sep 88

[Text] Beijing (CEI)—An exploratory well with a high output of crude oil and gas was recently sunk in the northern part of the Tarim Basin, in the Xinjiang Uygur Autonomous Region, a spokesman for the Ministry of Geology and Mineral Resources announced here on September 6.

The 5,380-meter-deep well, Sha No 14, was on a new and big geological structure which is believed to be rich in oil and gas.

On the first day of the Trial Gushing, the output of crude oil was 1,330 bbl and that of natural gas, 10,000 cu m.

Four wells with sizable output have already been sunk in the basin.

Northwest Provinces Experience Power Shortage
HK0709074388 Beijing ZHONGGUO XINWEN SHE
in Chinese 1056 GMT 6 Sep 88

[Report by correspondent Wang Jianren (3769 1696 0088): "Power Shortage Hits Northwest China"]

[Text] Xian, 6 Sep (ZHONGGUO XINWEN SHE)—With the coming of the flood season in the Huang He valley, the areas in the upper reaches of the Huang He are universally suffering from drought. The electric energy production of Longyangxia and Liujiaxia hydro-power stations is far below past levels. The Xibei Power Network linking up Qinghai, Gansu, Ningxia, and Shaanxi provinces and autonomous region is in a constant emergency. Some industrial and mining enterprises

have had to reduce or suspend production due to limited power supplies and residents in such cities as Xian and Lanzhou suddenly felt the bitterness of a power shortage.

A few days ago, an official from the Xibei Power Supply Administration said: Currently, the northwestern region of China is 15 percent short of its total power supply and moreover, the situation is turning for the worse.

The region was one of China's power-richest areas. In the last few years, the power-deficient Huadong, Huanan, and other power networks have adopted measures to limit power supply to enterprises which operate inefficiently and consume large amounts of energy while the Xibei Network, relying on its power surplus, has absorbed large numbers of such enterprises which were moved westward. Moreover, the high-energy consuming industries which are continuing to expand in number and the high-energy consuming aluminum, ferrosilicon

alloy, and calcium carbide plants which were either moved from the East to the West or newly established by provinces in Northwest China, consumed nearly 20 percent of the network's total electric energy production. On the other hand, state and local investments in power facilities in the northwestern region were reduced. Hence, new demand for power has far exceeded the newly added generated energy.

It has been reported that the current power shortage can be alleviated only after the fourth generating unit in Qinghai of the Longyangxia Hydropower Station and some thermal power plants are formally put into operation.

One source said: Shaanxi and Gansu, northwestern provinces which consume large amounts of electricity, have started raising funds to build their own power facilities to solve their power-shortage problems.

Olympics President Warns Taiwan on Name Use
OW1209174188 Beijing XINHUA in English
1644 GMT 12 Sep 88

[Text] Seoul, September 12 (XINHUA)—The Executive Board of the International Olympic Committee [IOC] today issued a serious warning to the Chinese Taipei Olympic Committee for the use of the words "the Republic of China" on the plaque upon the arrival of the delegation of the Chinese Taipei Olympic Committee at the Kimp'o Airport in Seoul Sunday.

Sources close to the IOC said that the Executive Board of the IOC discussed the matter concerning the new violation of the IOC resolution by the Chinese Taipei Olympic Committee. Juan Antonio Samaranch, president of the IOC, pointed out that if the Chinese Taipei Olympic Committee violated the IOC resolution again in the future, its athletes would be disqualified from the current Olympic Games in Seoul.

Samaranch called together Henry Hsu, former IOC member, Wu Ching-kuo, newly-elected IOC member and vice president of the Chinese Taipei Olympic Committee, and Li Ching-hua, secretary general of the Chinese Taipei Olympic Committee and deputy head of the Chinese Taipei Olympic delegation. He told them that the IOC had given them a serious warning during the Olympic Winter Games in Calgary for the use of the wrong emblem on the headgear of a Chinese Taipei athlete and the Chinese Taipei Olympic Committee and guaranteed that no such violation would take place again in the future. Therefore, the new violation of the IOC resolution by the Chinese Taipei Olympic Committee is intolerable, the IOC president noted.

He demanded that the Chinese Taipei Olympic Committee make a guarantee and take immediate measures to prevent the reoccurrence of such violation in the future. Otherwise, he said, the IOC will take strong measures against it.

Samaranch said that the IOC had also urged the Seoul Olympic Organizing Committee to closely follow the IOC resolution. He also demanded that the Chinese Taipei Olympic Committee present a report to the IOC after finding out the cause for their violation.

LIAOWANG Reviews Chen Li-fu's Proposal
HK1309082288 Hong Kong LIAOWANG OVERSEAS
EDITION in Chinese No 37, 12 Sep 88 pp 3-4

[Article by Chen Bing (7115 0393): "Thoughts Associated With 'Chen Li-fu's Proposal'"]

[Text] On 14 July 34 members of the KMT [Kuomintang] Central Advisory Council including Chen Li-fu, Chiang Wei-kuo, Tao Pai-chuan, Liu Kuo-tsai, Chen Chi-lu, and others, submitted a proposal to the KMT Central Committee Standing Committee. The proposal read: "If the CPC gives up its attempt to use force to

attack Taiwan, and replaces the 'four upholds' with the 'Chinese culture,' Taiwan may work together with the mainland to establish a 'state industrial planning committee.'" Both sides can give play to their own strong points to work together for implementation of the industrial plan initiated by Sun Yat-sen. This will lay an economic foundation for turning the 21st century into a century of the Chinese. In the meantime, through economically mutual benefit and cooperation, the two sides will establish their common belief and trust. After that they will "make further efforts to hold political consultation" to strive for the reunification of China.

New Persons in Power in Taiwan Lack Enthusiasm and Interest in the "Proposal" [subhead]

This proposal was put forward more than a month ago. When new KMT chairman Li Teng-hui had just received the proposal he stated that the central Standing Committee would study it seriously. Up to now newspapers and journals on the island have not revealed whether the Taiwan authorities have studied the proposal, and the results of their study. However, according to reports by various major Taiwan newspapers, on 30 July, when Li Teng-hui met with members of the "round-the-world inspection tour group from the Taiwan Legislative Yuan," the Legislative Yuan members "asked President Li to express his view" on Chen Li-fu's proposal. "President Li replied: It is not a simple matter to expand economic exchanges between the two sides or to provide the mainland with economic aid, because the CPC is very cunning. On the one hand, it oppresses us throughout the world, and never gives up its united front hostility toward us. On the other hand, it makes use of economic means to lure or win over our fellow countrymen. President Li added that although he himself lacked experience of fighting against the CPC he had read and heard much about it. He realized fully the nature of the CPC and also hoped that his fellow countrymen would also have a correct understanding of the CPC." "We must not take the long-term development of our country as a stake for the sake of immediate and transient interests." On 29 June Li Teng-hui also told Taiwan's young entrepreneurs: The purpose of investment in the mainland is only to make money. If you have the money to make investments on the mainland why don't you invest it in Taiwan, or Japan, the United States, and so on?

Let us refrain from commenting for the time being on whether the understanding of the CPC by senior KMT members such as Chen Li-fu and others who have been dealing with the CPC their whole lives is as good as the new KMT chairman. Let us also refrain for the time being from commenting on whether the proposal put forward by KMT senior members on the cooperation and reunification of the two sides "is taking the long-term development of the country as a stake" as Li Teng-hui stated. However, when reviewing Li Teng-hui's remarks it is not difficult for us to see that he regards the mainland as an "alien nation and land." This is different from the "thoughts and feelings for the mainland" he

boasted of at a news conference held on 22 February. Neither is it in line with the "new concept" he "expressed very sincerely" at the news conference. It is obvious that for certain reasons this new person in power in Taiwan lacks enthusiasm for and interest in Chen Li-fu's proposal, or he feels that there is something fishy about it.

The Brilliant Culture of the Chinese Nation Is an Important Foundation for Reunification of the Country [subhead]

To understand the attitude of the mainland side, I think that Zhao Ziyang's remarks to U.S. Secretary of State Shultz can be studied for reference.

For example, regarding the issue of the Chinese culture, Chen Li-fu says in his proposal: To seek reunification we should first of all establish a common belief. Common belief will give rise to mutual trust, unity, and reunification. The brilliant Chinese culture is the best condition for establishing a common belief. In his speech Zhao Ziyang pointed out: "Both sides of the strait must inherit and carry forward the excellent tradition of our national culture. The Chinese nation has a long history and brilliant culture and has made great contributions to world civilization. This brilliant culture has rallied us and is an important foundation for the reunification of our country." To me, the attitude and views on both sides of the strait about Chinese culture are basically identical. It is, of course, unfair for some KMT personalities to criticize the present-day CPC leaders who advocate reform and opening up, and to say that they "have abandoned Chinese culture," because of those distressing incidents of ruining Chinese culture during the "Cultural Revolution" on the mainland. This is at the least a mistaken concept in both time and space.

Two Sides Cooperating To Build a Prosperous and Powerful China [subhead]

Let us look at another example. Regarding the issue of economic cooperation between the two sides of the strait Chen Li-fu's proposal stresses: "Once the door of peace is open we can further embark on the path of economic mutual benefit based on Taiwan's financial, economic, scientific and technological potential and the mainland's manpower resources. This will initially lay an economic foundation for turning the 21st century into a century of the Chinese." In his speech, Zhao Ziyang emphasized: "The two sides of the strait need mutual cooperation in working together to develop our national economy, to increase our people's living standards, and to build China into a prosperous, powerful, and modernized country." To me, the spirit of the views of the proposal and Zhao's remarks are also basically identical. If we keep to the Chinese stand, the rapid development of mainland economic construction conforms with the interests of Taiwan compatriots. In the meantime, Taiwan's economic development and continuous improvement of the people's living standards is something which

mainland compatriots like to see. The mainland is rich in resources, has great potential for development, and is a vast market. These conditions can help supply Taiwan's needs, and provide a good opportunity and environment for the development of Taiwan's economy. Under the principle of mutual benefit and interest, the descendants of the emperors of Yan and Huang work together to develop their national economy, and to make contributions toward invigorating the Chinese nation. This is a great and good thing which is in accordance with the will of our compatriots on both sides of the strait, and all our countrymen residing abroad. Therefore, the two sides must not turn a blind eye to their common economic interests because of certain different political views, or neglect the long-term interests of the Chinese nation in particular. In accordance with the principle of "seeking common ground on major questions while reserving differences on minor ones," the two sides can deal with the problem of the reunification of our country, and iron out our differences.

The Political, Economic, Cultural, and Traditional Common Understanding and Foundation Between the Two Sides [subhead]

In addition, Chen Li-fu's proposal points out: "The reunification of China is a common desire of the compatriots on both sides of the Taiwan Strait and all countrymen residing abroad. Reunification is only a matter of time. However, it should be achieved by the Chinese by relying on their own efforts. It can only be achieved through cultural and economic means, rather than force. Neither can it be achieved through the desire or help of a third party." I believe that there is no discrepancy between the view in the proposal and the ideas of the CPC on achieving peaceful reunification of the state through talks and consultation between the ruling authorities on the two sides. Just as Zhao Ziyang pointed out: "The two sides of the strait have persisted in the stand of one China, and regarded Taiwan as an inalienable part of China. They oppose any words and deeds which might lead to the independence of Taiwan." In a word, with regard to the issue of the reunification of our country, "the two sides of the strait have much traditional political, economic, and cultural common understanding, and profound foundation." He added: "The CPC is willing to work together with the KMT and the Taiwan people to continue to make efforts to realize as early as possible the reunification of our country on the basis of the above-mentioned common understanding and foundation."

The Question of "Taking Taiwan by Force" [subhead]

The questions of the "four cardinal principles" and the CPC giving up its attempt to "take Taiwan by force" mentioned in Chen Li-fu's proposal show that there are misgivings and differences in views because of a lack of contact, understanding, and trust between the authorities on both sides of the strait. In the article "My Views

on the 'New Concepts' on Handling the Problems Concerning Both Sides of the Strait" carried in LIAOWANG OVERSEAS EDITION on 16 May. I gave some explanations about the two questions. Here I would like to probe further.

Regarding the question of the CPC giving up its attempt to "take Taiwan by force," that is making the commitment not to settle the question of Taiwan by force, in my opinion the Taiwan side should take note of the following: First, since the principle of peaceful reunification laid down at the 3d Plenary Session of the 11th CPC Central Committee in 1978, the CPC has regarded "one country, two systems" and peaceful reunification as the basic principles for settling the question of Taiwan and a basic national policy for reunifying the country. Hence, the so-called policy and facts of "taking Taiwan by force" do not exist. This is obvious to all. Second, so long as Taiwan insists on China's reunification and works hard to attain this goal; the Taiwan authorities oppose and check the speeches and practices of "Taiwan independence;" there is no destructive turmoil in Taiwan which may lead to the situation getting out of control; and so long as there is no foreign military intervention, the possibility and necessity for the use of force does not exist. Conversely, if we make a commitment to not use force under any circumstance (please note the term "under any circumstance"), what should be done if the above-mentioned things really happen? Are these advantageous to the KMT authorities? Apparently not. Moreover, once these things happen, it will not benefit in the slightest degree the stability and happiness of the Taiwan people. Third, viewed from whatever angle, all personages of insight are aware that in settling the question of Taiwan the CPC will never use force against the patriots and those in favor of reunification of the motherland. If China must resort to force it will only be against aggressors and traitors. The Taiwan authorities should show understanding in this regard. In my opinion the question of "resorting to force" will not be a controversial issue provided the authorities on both sides of the strait have contacts and increase understanding and mutual trust. Moreover, so long as both sides are in favor of reunification and are willing to hold talks on the matter, everything can be discussed, consulted on, and resolved in a fair and reasonable manner.

The Question of the "Four Cardinal Principles" [subhead]

Proceeding from history and actual reality the CPC proposed the concept of "one country, two systems" to reunify the motherland, keeping the current social system and life-styles of each side unchanged. As the mainland did not request Taiwan to give up its "three people's principles," the Taiwan side has no reason whatsoever to ask the mainland to give up its "four cardinal principles." Otherwise, the concept would be "one country, one system" rather than "one country, two systems" in realizing reunification. Like "taking Taiwan by force," the question of the "four cardinal principles"

can be settled in a fair and reasonable way through talk and consultation when both sides have reached a common understanding and gained mutual trust. This question also should not be an obstacle to the development of cooperation between both sides of the strait.

Taiwan and Overseas Opinions on "Proposal" [subhead]

In view of the response from Taiwan and overseas on Chen Li-fu's proposal over the past month or so, there are the following three kinds of attitude: first, those who take a skeptical attitude or who are against the "proposal" constitute a minority. It indicates the position of those who cherish "Taiwan independence" and the mentality of some authoritative persons in being content to retain sovereignty over a part of the country. Second, those who take a wait-and-see attitude. This indicates that some personages are watching the attitude adopted by both sides toward the "proposal" and the further development of the matter, and that they will express their attitude at an opportune moment. Third, those who appreciate, affirm, and support the "proposal" constitute the majority. This indicates that the majority of the compatriots in Taiwan and overseas wish to see reconciliation, cooperation, and unification between both sides at an early date. Public opinion in this regard believes that Chen Li-fu's proposal, which is "creative," "positive," "farsighted," and "earthshaking," has broken through the conservative and rigid views and policies of the KMT authorities. On the one hand, the "bold and open" proposal made by Chen Li-fu and other senior KMT statesmen who have been "resolutely against the CPC over the decades" shows a change in attitude of the senior KMT statesmen toward peaceful reunification after witnessing the development of the situation inside and outside the island, and that some of them are trying to "reach a common understanding with the CPC." On the other hand, it shows that the personages of the departments concerned in Taiwan have faced squarely the mutual benefits in economic contacts between both sides of the strait. This will help Taiwan seek new development and a way out for its economy. Moreover, public opinion inside and outside Taiwan has urged the KMT authorities to treasure the situation favorable toward reconciliation and cooperation between both sides, and toward putting an end to the passive position of the KMT authorities; to duly readjust and formulate policies and measures on relations between both sides with Chen Li-fu's proposal as a turning point; and to create a long-term, stable environment for the reunification of the country and for Taiwan's political and economic development and social progress.

Viewed from public opinion inside and outside Taiwan, it is not likely that the Taiwan authorities will accept Chen Li-fu's proposal in the near future. Viewed from the opinions and feelings of the people and government about the proposal, however, the effect and influence exerted by the proposal should not be ignored.

Taiwan Urged To Open Direct Trade With Mainland
OW1109141688 Beijing in Mandarin to Taiwan
0205 GMT 29 Aug 88

["Rambling Talk on State Affairs" program by Liu Wei]

[Excerpts] Listener friends, with the relaxation of tension between both sides of the Taiwan Strait in recent years, trade contacts between the two sides have also increased steadily. According to statistics, the volume of trade between the mainland and Taiwan transshipped through Singapore, Japan, Hong Kong, and other areas increased from U.S. \$200,000 in 1978 to nearly \$2 billion in 1987, and will increase further this year. [passage omitted]

More and more people on Taiwan have been calling on the Taiwan authorities to take Taiwan's interests into account and permit direct trade with the mainland.

Listener friends, it has been reported that one of the reasons Taiwan authorities ban direct trade between the two sides of the strait is that they worry that direct trade might adversely affect Taiwan's industrial upgrading. I think direct trade between the mainland and Taiwan has been beneficial. This is a fact known to all. Many Taiwan compatriots have benefited personally. Will direct trade between the two shores of the strait affect Taiwan's industrial upgrading? I would like to express my own views on this question. [passage omitted] Taiwan's Ministry of Economics has formulated a 10-year program for upgrading the island's industry, making industrial upgrading its principal strategy for developing the economy in the near future. Listener friends, I also believe that industrial upgrading is the right road to follow. Some developed industrial countries, such as the United States and Japan, have traveled this road. This is an inevitable stage in the process of economic development. Taiwan has lost the advantage of cheap labor on which it's economy has been relying. Besides, it has been suffering from the onslaught of international trade protectionism, which seems to have slowed Taiwan's economic growth. Under these circumstances the only way out for Taiwan seems to be industrial upgrading, because industrial upgrading can increase its capacity for sustained economic development. Only thus can Taiwan withstand the increasingly fierce international competition. [passage omitted]

Listener friends, according to economists at home and abroad, since a drastic change has taken place in the world economic situation, the motherland is an ideal market for Taiwan's economic development. It can play a supplementary or supporting role in upgrading Taiwan's industry. Listener friends, you all know very well that over 90 percent of the enterprises in Taiwan are small and medium-sized enterprises. Most of these small and medium-sized enterprises are short of funds and use outdated equipment. On the contrary, industrial upgrading requires large sums of money to expand production facilities and

buy new equipment. It is not easy for small and medium-sized enterprises to do this. Thus in the process of industrial upgrading, quite a large number of small and medium-sized enterprises are bound to die out. But, if these small and medium-sized enterprises are shifted to the motherland to develop its traditional labor-intensive industry, they can not only prolong their existence, but also help other enterprises upgrade themselves. Viewed from the present circumstances, the economic situation on the mainland is most suitable for the development of Taiwan's small and medium-sized enterprises.

The motherland has worked out a strategy for developing the economy in the coastal areas. An important aspect of this strategy is developing labor-intensive products by taking advantage of cheap labor along the coast of the mainland, taking part in the competition for the international market, and making use of this to develop high-tech products. This is a good opportunity for the development of Taiwan's small and medium-sized enterprises. In the course of developing labor-intensive, export-oriented products, these enterprises have accumulated rich technological experience. With their managerial expertise and technological experience, they can come and make use of cheap labor along the coast of the motherland to manufacture competitive low-priced products for the international market. This mutual supplement and mutual promotion will benefit the development on both sides of the strait. [passage omitted]

It is far from enough for Taiwan to upgrade its industry by relying on its scientific and technological forces alone. A strength of the motherland is its strong scientific and technological forces. In the past scores of years, notable success has been made in scientific and technological development on the mainland. In many spheres of science and technology China has joined the advanced ranks of the world. I think if both shores of the strait agree to cooperate, the excellent scientific and technological conditions of the motherland can certainly play a part in upgrading Taiwan's industry. Besides, the motherland is an ideal place in terms of its market and resources. [passage omitted]

The current ban on direct trade between the two sides of the strait imposed by the Taiwan authorities is unsuitable for economic development. The shifting of small and medium-sized enterprises to the mainland and scientific and technological cooperation, which I have just mentioned, can be realized only through direct formal trade. Although both sides benefit much from the present transshipment trade, there are also many drawbacks. For instance, while permitting indirect importation of agricultural and industrial raw materials from the mainland, the Taiwan authorities also stress that such importation must help reduce production costs. Indirect trade, however, cannot avoid intermediate exploitation, and it cannot help reduce production costs. At present, South Korea and other areas are following in the footsteps of Hong Kong by striving for the mainland market in order to ensure a successful industrial upgrading.

Listener friends, people of industrial and commercial circles on both shores of the strait hope urgently for direct trade. It will greatly benefit economic development on the mainland and Taiwan. This is a belief shared by people of industrial and commercial circles on both sides of the strait. Not only will direct trade not hamper the realization of industrial upgrading, but it will boost Taiwan's industrial upgrading. Therefore, I hope the Taiwan authorities recognize reality, handle correctly the trade and economic relations between the two sides of the strait, and take the initiative in encouraging people of industrial and commercial circles in Taiwan to do business or invest in factories on the mainland so as to promote the realization of industrial upgrading in Taiwan and ensure its stable economic growth.

Taiwan's Yuan Rules on Mainland Trade

OW0909134888 Beijing XINHUA Domestic Service
in Chinese 1620 GMT 7 Sep 88

[Text] Hong Kong, 7 Sep (XINHUA)—According to a report by LIEN HO PAO, which is published in Taiwan, Taiwan's "Judicial Yuan," after advisement, held that direct trade by Taiwan businessmen with profit-seeking establishments on the mainland, for the purpose of making profit, does not constitute a "crime in support of bandits" as stipulated in the "regulations on the punishment of traitors" provided the commodities do not involve "strategic materials."

The Taiwan press believes that by so doing the Taiwan judicial authorities have made known their position on the controversial issue of how to determine what is a "crime in support of bandits." The "Judicial Yuan" will circulate a notice on its decision to all local courts so that they will use it as a reference in handling cases involving Taiwan businessmen directly trading with the mainland.

Courts in Taiwan have tried three cases of Taiwan businessmen who traded directly with the mainland this year, and those involved in two of the cases were convicted for having committed a "crime in support of bandits," arousing discontent among the public. The "Supreme Court" later overruled the decision and had the cases retried. As a result, those involved were convicted of having committed a so-called "violation of the government policy of banning direct trade with the mainland," not for committing a "crime in support of bandits." The definition of what constitutes "support for bandits" has resulted in a very big controversy.

The Taiwan judicial authorities have now indicated that the ban on direct trade with the mainland is not a statute but an administrative order.

Taiwan Sets Up Mainland Work Guidance Group

HK0809024088 Beijing RENMIN RIBAO in Chinese
29 Aug 88 p 4

[Report: "Taiwan To Set Up a 'Group To Guide Mainland Work'"]

[Text] According to a XINHUA report, the standing committee of the KMT [Kuomintang] Central Committee approved President Li Teng-hui's proposal that a "Mainland Work Guidance Group" be set under the KMT Central Committee.

Ma Shu-li, former secretary general of the KMT Central Committee, will be the convener of the group composed of Li Huan, Chiu Chuang-huan, Ho Yi-wu, Sung Chu-yu, Shi Chi-yang, Hsu Li-nung, and Hsu Sheng-fa, members of the KMT Central Committee Standing Committee, and Chang Ching-yu, director of Taiwan's "International Relations Research Center." The secretarial duties will be undertaken by the KMT's "Mainland Work Group."

Prior to the proposal made on setting up the "Mainland Work Guidance Group," Li Teng-hui delivered a speech asserting that the "three no's principle" toward the mainland "will never change."

Taiwan Official Suggests Flexible Mainland Policy

OW0909122988 Beijing XINHUA Domestic Service
in Chinese 1625 GMT 7 Sep 88

[Text] Hong Kong, 7 Sep (XINHUA)—News from Taipei: At today's meeting of the Kuomintang Central Standing Committee Xiao Changle [Hsiao Chang-lo], director general of the Kuomintang Central Committee Department of Mainland Affairs, delivered a report on a "current mainland policy proposal." He suggested that control be relaxed over visits to relatives on the mainland by government functionaries whose work does not involve secrets and by councilmen at and below county and city levels. He also suggested that the current ban on journalists' visits to the mainland be lifted as appropriate so that they may go there to cover news and to attend international athletic activities and meetings.

This report, if approved by the Kuomintang Central Standing Committee, will be used as a criterion by the Taiwan authorities in implementing its mainland policy.

As revealed yesterday by the "Bureau of Entry and Exit under the Ministry of Interior" of Taiwan's "Executive Yuan," statistics show that since the ban on visiting relatives on the mainland was lifted, up to 31 August 230,000 people filed applications for traveling to the mainland and more than 226,500 applications were approved. Of the approximately 3,000 people whose applications were turned down, most were incumbent government functionaries and school teachers.

Beijing Radio Rebuts Kuomintang on Chinese Culture
OW1109124888 Beijing in Mandarin to Taiwan
0205 GMT 31 Aug 88

["Rambling Talk on State Affairs" program]

[Excerpts] Dear listeners, for a long time the KMT [Kuomintang] in Taiwan has claimed to be the successor of the Chinese tradition and culture, regarded itself as the symbol of Chinese orthodoxy, and flaunted Taiwan as a so-called base for a Chinese cultural renaissance.

The present mainland policy adopted by the KMT at its 13th congress in July this year made special mention of expanding the Chinese cultural renaissance campaign to the mainland, and conforming mainland culture to Chinese characteristics.

Culture is a very interesting topic, since it concerns exchanges between the two sides of the strait and future development of Chinese culture. I would like to further explore this question with you. [passage omitted]

What is the Chinese Cultural Renaissance Campaign?

On 12 November 1966, the Chinese Cultural Center was completed at the newly constructed Dr Sun Yat-sen Hall in Yangmingshan, Taipei City, on the occasion of the 100th birthday of Dr Sun Yat-sen. Mr Chiang Kai-shek delivered a eulogy in commemoration of the completion of the project. He dwelt upon the Three Principles of the People and Chinese culture, and flaunted the Three Principles of the People as a comprehensive expression of the Chinese culture with Confucianism as its core. [passage omitted]

Subsequently, in July 1967, some scholars in Taiwan formally initiated a campaign, the main purpose of which was to conform culture to Chinese characteristics, a proposition used by the KMT later. [passage omitted]

Chinese culture incorporates historical and modern cultures, mainland and Taiwan cultures, as well as the cultural achievements of Chinese residing abroad. Referring to the connotation of conforming culture to the Chinese characteristics mentioned above, and exercising a little judgment, it is not difficult to see the irrelevance of this proposition. How can one replace the whole with the component parts, discard historical culture and substitute it with modern culture, and make inferences on this basis? This kind of analysis may sound too bookish and inquisitive. Actually there are some ulterior motives involved.

By promoting the Chinese cultural renaissance campaign and raising the question of conforming culture to Chinese characteristics, the Taiwan authorities' aim was to oppose the CPC, replace socialism with the Three Principles of the People, and check the spread of Marxism on the mainland. The Three Principles of the People, the Nationalist Revolution, and the conforming of culture to

Chinese characteristics are not for the sake of academic research, nor are they designed to carry forward and develop Chinese culture. The so-called Chinese cultural renaissance campaign is actually another version of the armed forces' new literature and art campaign, an anti-communist combat literature and art campaign.

Another point is that, while exercising its rule over Taiwan, the KMT has also tried to control Taiwan's culture for its service.

We have said that culture is not politics, and should not be subordinated to any political organizations or categorized under politics. Culture has its own law of origin and development, and remains relatively independent, not to be replaced by political and economic laws. The mainland has learned a profound lesson in this connection.

For a long time after 1949, literary and art circles on the mainland laid too much stress on having culture serve politics, and denied culture its independent role. As a result, culture on the mainland became a political concept and expression, hence cultural stagnation. This was a profound lesson indeed.

However, the Taiwan authorities have always tried to monopolize culture and make it serve directly their anticommunist purpose. This will bring tremendous damage to the development of Chinese culture. [passage omitted]

In conclusion, I hope those who espouse a renaissance of Confucianism and who favor the slogan of conforming culture to Chinese characteristics will ask themselves a question: How much of this cultural counterattack against the mainland is cultural and how much of it is Confucian?

I am sure you can answer this question better than I since you are influenced constantly by what you see and hear in Taiwan.

Reunification Council Established in Beijing
OW1009193488 Beijing XINHUA in English
1454 GMT 10 Sep 88

[Text] Beijing, September 10 (XINHUA)—The China Council for Promoting Peaceful Reunification will be set up in Beijing toward the end of this month.

Initiated by non-communist parties, mass organizations and nonparty personages, the council, which will advocate the peaceful reunification of China, will consist of leading figures from various circles across the country, a spokesman said.

The purpose of the council is to unite people of all walks of life at home and abroad, despite their beliefs, party affiliation, religion or ethnic background, and strengthen exchanges and cooperation between people on both sides of the Taiwan Strait in science, technology, culture, economy and sports.

It will also strive to promote dialogues and negotiations between the mainland and Taiwan in a bid to accelerate the process of peaceful reunification, he explained.

First Taiwan Passenger Ship Arrives in Shanghai
*OW1209122688 Beijing XINHUA Domestic Service
in Chinese 0852 GMT 12 Sep 88*

[By reporter Yan Weimin]

[Text] Shanghai, 12 Sep (XINHUA)—"Changrui," the first passenger ship from Taiwan carrying Taiwan compatriots on a voyage to visit relatives on the mainland, arrived in Shanghai this morning.

The group of Taiwan compatriots left Jilun Port on 9 September aboard the passenger ship "Changxin," and sailed to the port of Naha on Japan's Okinawa Island the next day, where they transferred to the "Changrui" which took them to Shanghai.

In order to facilitate the compatriots' entry procedures, the Shanghai Maritime Security Supervision Station, Border Defense Inspection Station, Pujiang Customs Department, and Quarantine Inspection Post sent special personnel aboard the "Changrui" to check the passengers' travel documents and issue visas to them when the ship entered the mouth of Chang Jiang. Representatives from the Shanghai Branch of the China International Travel Agency, the Shanghai Waihongqiao International Passenger Transport Station, the China Ocean Shipping Agency, and Hong Kong's Yamin Investment Company, Ltd, the agent for the "Changrui," accorded the Taiwan compatriots a warm welcome.

According to an official of Hong Kong's Yamin Investment Company, Ltd, the company opened this passenger shipping route in order to solve the transportation problem for Taiwan compatriots who want to visit their relatives on the mainland. The entire trip is about 800 nautical miles long and takes over 60 hours.

'Several Hundred' Taiwanese Defected Since 1946
*OW1109044088 Beijing XINHUA in English
0216 GMT 11 Sep 88*

[Backgrounder: Four Decades of Freedom-Seeking"—XINHUA headline]

[Text] Beijing, September 11 (XINHUA)—Several hundred Kuomintang (KMT) soldiers have crossed over by boat or aircraft from the KMT-held areas to the liberated areas or the mainland of China in the past four decades.

The first crossover was made by Capt. Liu Shanben, who piloted a B-24 bomber of the KMT Air Force to Yanan, then the center of Chinese revolution led by Mao Zedong, June 26, 1946.

The first such flight after the People's Republic was founded in 1949 was made by Xu Tingze, when he flew to the mainland from Taiwan.

In the four decades after 1946, 101 KMT Air Force officers have crossed over to the liberated areas or to the mainland in 43 military aircraft.

The latest were made by Huang Zhicheng and Li Dawei, both majors of the KMT Air Force in Taiwan. They flew to the mainland in August 1981 and March 1983, respectively. Both joined the People's Liberation Army (PLA) and were rewarded by the Chinese Government; Huang received 650,000 yuan.

On May 3, 1986, Wang Xijue piloted a Boeing 747 cargo plane of Taiwan's China Airlines to Guangzhou and got permission to settle down on the mainland.

In addition, a number of KMT navy personnel have sailed to the liberated areas or the mainland in the past four decades. The first naval crossover was made by the KMT cruiser "Chongqing," which set off from the then KMT-controlled Shanghai to a port in the liberated areas.

Deng Zhaoxiang, captain of the cruiser, later became deputy commander of the PLA North China Sea Fleet.

1st Chinese Businessmen's Trade Symposium Planned
*HK1209090388 Hong Kong ZHONGGUO TONGXUN
SHE in Chinese 0924 GMT 8 Sep 88*

[Report: "Guangzhou Plans to Hold First Chinese Businessmen's Trade Symposium During the Trade Fair This Fall To Facilitate Entrepot Trade Between Both Sides of the Strait"]

[Text] The "First Guangzhou Chinese Businessmen's Trade Symposium," designed to help Taiwan manufacturers and business people open up markets in an entrepot on the Chinese mainland, will be sponsored in the International Convention Hall of the Zhongguo Hotel in Guangzhou City between 31 October to 3 November.

The symposium was initiated by Hong Kong's Taiwan Trade Promotion Association and sponsored by the Guangzhou branch of the China International Chamber of Commerce. Ting Kai-en, president of the Hong Kong Taiwan Trade Promotion Association, said: The current symposium is similar in form to the "First Shenzhen Chinese Businessmen's Trade and Investment Symposium" held at the end of last July. The 15,000 square feet exhibition hall will house 100 stalls of exhibits by overseas institutions, business agents for Taiwan manufacturers, and business people. When the time comes,

Taiwan manufacturers and business people who are exhibiting products will visit the exhibition during their family visits on the mainland.

As the symposium happens to coincide with the Guangzhou Autumn Chinese Export Commodities Fair, those who will be invited to attend will include purchasing agents from the mainland and other countries attending the Guangzhou Autumn Export Commodities Fair and major economic and trade units or persons in charge of enterprises and institutions from all over the mainland.

Xiamen Customs Improves Procedures for Taiwanese
HK0909030188 Beijing ZHONGGUO XINWEN SHE
in Chinese 0314 GMT 6 Sep 88

[Report: "Xiamen Customs Office Makes Procedures Easy for Taiwan Compatriots"]

[Text] Xiamen, 6 Sep (ZHONGGUO XINWEN SHE)—During the 1st half of this year, 296 Taiwan ships called at Xiamen Port in Fujian to conduct small-amount trading totaling more than \$1.9 million. Now the Xiamen Customs Office has established many new procedures to make it more convenient for Taiwan compatriots and other people coming to Xiamen to make investments, build factories, negotiate business, or visit relatives and friends.

In the area of trade, the office is staffed on a 24-hour basis in order to provide special handling for Xiamen's exports, which are mainly fresh aquatic products and are perishable and easily damaged. The shift duty system guarantees that cargo inspection and clearance will be available on call. The customs office also permits Taiwan ships to berth, load, and unload either at quays near where the goods are produced or quays suitable for cargo handling. The customs office sends personnel to these quays to handle customs procedures.

Since the beginning of this year, the two Xiamen customs offices posted at the Xiamen International Airport and the passenger and cargo terminal of Xiamen harbor have handled customs procedures for the entrance and exit of over 20,000 Taiwan compatriots. The customs office has put up an instruction board in the customs waiting hall that reads, "For Taiwan compatriots: How to fill in the customs declaration form;" has set up an

"information counter for Taiwan compatriots;" has provided a special passageway, inspection counters, and customs duties counters for Taiwan compatriots; and has assigned personnel to handle customs procedures for them. The office wants to fulfill the "Four Preferences" in the areas of inquiries, passage, inspection, and customs duties in order to save the time spent by Taiwan compatriots on entering and exiting.

At present there are tens of enterprises funded either solely or partly by Taiwan capital that come under the jurisdiction of the Xiamen Customs Office. The customs officers, implementing the "State Council's rules on encouraging investment by Taiwan compatriots," often drop in on these Taiwan capital-funded enterprises and help them out with difficulties arising from a lack of understanding of mainland policies. They also provide Taiwan investors with business consultations and services. To avoid delays arising from late cargo inspection—since Taiwan-capital enterprises must rent containers—customs officers often make exceptions and conduct transactions such as cargo inspection for these enterprises on their festival holidays or in their off-duty time.

More Taiwan Enterprises Invest in Xiamen
OW0909150688 Beijing XINHUA in English
1153 GMT 9 Sep 88

[Text] Beijing, September 9 (XINHUA)—The number of Taiwanese-funded businesses is expanding greatly in Xiamen City in southern Fujian Province, "INTERNATIONAL BUSINESS" reported today.

During the first six months this year 32 enterprises with Taiwanese backing were approved, nearly twice the total number approved in the past seven years.

So far, 30 businesses have started up. They involve a total investment of 70 million U.S. dollars.

Most of the businesses are solely owned and dealing in production of goods for export.

Most are small or medium sized. An exception is a 100,000-square-meter "Taiwan mountain villa" that is under construction. It is a joint undertaking of Taiwan businessmen and the Xiamen Special Economic Zone, the paper said.

Revision Submitted for Mainland Defector Rewards
OW1209184888 Taipei CNA in English 1504 GMT
12 Sep 88

[Text] Taipei, Sept. 12 (CNA)—The Ministry of National Defense has submitted a revised set of measures for rewarding Chinese Communist military personnel who seek freedom in the Republic of China on to the Executive Yuan for deliberation, the spokesman of the Defense Ministry said Monday.

Legislator Huang Chu-Wen Monday suggested that the government drop the measures immediately.

The Defense Ministry has made no comment on the suggestion, the spokesman said.

It was learned that the revised measures will scale down the size of reward which will be in proportion to the effect on the war combat effectiveness and morale of the Chinese Communist armed forces instead of on the type of airplane or ship and the number of members defecting.

In addition, the reward will be conferred only to those who come directly to the national revival bastion of Taiwan; otherwise, the government will only take responsibility for the defector's basic living needs, it was reported.

Mainland Agriculture Monitoring Center Planned
OW0609084188 Taipei CNA in English
0236 GMT 6 Sep 88

[Text] Taipei, Sept. 6 (CNA)—The Council of Agriculture announced Monday that an information center monitoring agricultural products of the Chinese mainland will be established to meet the Republic of China's future needs.

The proposed information center, the Council said, will compile data concerning the growing, marketing, prices, processing procedures, and exports of mainland agricultural products so as to better understand the current situation of mainland agriculture.

"Updated mainland agricultural data will then be supplied for reference to appropriate government agencies," the Council said.

A source close to the Council revealed that the Council had been in touch with the Chunghua Institute for Economic Research, but difference between the two organizations has prevented them from reaching a cooperative agreement.

At present, the Council is discussing the question with National Chungshing University as it studies the feasibility of setting up such an information institution there.

Lawmaker Urges Approval of Mainland News Coverage
OW0909060888 Taipei CNA in English 0230 GMT
9 Sep 88

[Text] Taipei, Sept. 9 (CNA)—The Government of the Republic of China should immediately lift its ban on local reporters covering news on the Chinese mainland in order to show its respect for press freedom and to cope with the changing situation along the Taiwan Strait, a legislator urged Thursday.

In a written query to the Executive Yuan, Legislator Chao Shao-kang, of the ruling Kuomintang, also called on the government to quickly map out measures that would allow local mass media to station correspondents on the mainland on a permanent basis.

The government has taken a bold step in allowing local scientists to attend under the name of a civic organization next week's annual meeting in Peiping of the International Council of Scientific Unions [ICSU], Chao said.

Local reporters, however, cannot accompany the delegation to Peiping and cover the event because of restrictions imposed in line with the government's no contact policy with the Chinese Communists, the lawmaker said.

To evade the restrictions, some reporters will likely visit the mainland under the guise of family visits, Chao noted, adding that the government is the one to blame for such dishonest behavior.

To cope with the changing situation, the government should immediately announce that local reporters will be allowed to cover news on the mainland, Chao said. Moreover, the local mass media should eventually be allowed to station correspondents on the mainland so that they can present to people here objective reports and firsthand information about the mainland.

If the latter goal cannot be realized before the government revises its mainland policy, the government should at least allow reporters to cover the ICSU meeting, he said.

Scientists Depart for Mainland ICSU Meeting
OW0909014388 Taipei CNA in English 1530 GMT
8 Sep 88

[Text] Taipei, Sept. 8 (CNA)— Three Republic of China scientists left here Thursday for Tokyo en route to Peiping, where they will take part in the 22nd General Assembly of the International Council of Scientific Unions (ICSU) scheduled to open Sept. 12.

The three, Chow Chang-hung, Hsueh Chung-ching and Yeh Yung-tien, will represent the newly formed "Academy Located in Taipei" at the general assembly.

Chow told the local press before departure that their participation in the ICSU General Assembly is purely an academic exchange and they will absolutely not undertake any negotiations with the Chinese mainland.

Shen Chun-shan, minister without portfolio, saw them off at the airport.

Olympians To Compete Under Name 'Chinese Taipei'
SK1309020588 Seoul THE KOREA TIMES in English
13 Sep 88 p 3

[From the "Inside Olympic Village" column: "90 ROC Athletes To Vie Under Name of Chinese Taipei"]

[Text] Ninety athletic members of Republic of China [ROC] are competing in 15 events in the Seoul Olympiad, under the name of Chinese Taipei, the second time they have used that name in Olympic history.

"We believe and hope that the Seoul Olympic Organizing Committee (SLOOC) will not give any favors to China over Chinese Taipei," said Chinese Taipei's chef de mission, Chou Chung-haun, Monday at his NOC [National Olympic Committee] office.

"Every country represented in the Olympic Games deserves equal treatment from the host country. I'm sure our host, Korea, will be faithful to this principle this time," he said.

Asked if he would wish good luck to the Chinese athletes, Chou said: "Of course, yes. But at the same time, I wish good luck for all the other athletes from around the world."

Chinese Taipei, according to Chou, has not won any gold medal in previous Olympics.

"We've taken part in the Olympics since 1948. We missed just two Olympics, the ones held in Moscow and Helsinki."

"China was not a member of the IOC when they took part in the Helsinki Olympics. We did not accept the IOC's decision to bring China at that time.

Agriculture Body Counters U.S. Turkey Meat Quota
OW0809052888 Taipei CNA in English
0308 GMT 8 Sep 88

[Text] Taipei, Sept. 8 (CNA)—The Republic of China [ROC] will not agree to the U.S. proposal that up to 650 metric tons of American turkey meat be shipped to Taiwan each month and that the quotas be lifted in January 1989, the Council of Agriculture [COA] said Wednesday.

A source close to COA said the ROC, in responding to the U.S. proposal, has agreed to a monthly ceiling of 220 metric tons of American turkey meat, with an annual

import growth of 5 percent. The monthly ceiling would be increased to 375 metric tons beginning in January 1989 and the quotas would be lifted completely three years from now.

The ROC counter-proposal was relayed to the U.S. Government before Aug. 26, a deadline agreed to by both sides after they had failed to come to terms on American turkey meat imports during the July Hawaii agricultural talks.

The government's proposed three years' grace period aims to sharpen the competitive edge of local poultry raisers before American turkey meat would be permitted to be freely imported, a COA official said.

The source, however, revealed that the government had already been notified that the U.S. objected to the ROC counter-proposal. COA has prepared several suggestions and will submit them to the cabinet-level ad hoc ROC-U.S. trade committee for consideration on Sept. 9, the source added.

Commenting on the thorny trade issue, a local agricultural economist said that unless both sides are willing to make some concessions, an additional consultation is very likely.

Resumption of Foreign Apple Imports Possible
OW0909063988 Taipei CNA in English 0339 GMT
9 Sep 88

[Text] Taipei, Sept. 9 (CNA)—The Republic of China may possibly resume imports of apples from such countries as South Korea and Canada on a quota basis before the end of this year.

A source at the Council of Agriculture said the import permit was planned in response to protests from those countries that Taiwan has opened its apple market only to the U.S. at the expense of other foreign suppliers.

The Government of Canada, the source pointed out, has threatened to retaliate against the unfair treatment by tightening its quotas for textiles and apparel exported from Taiwan.

At the same time, he noted, Korean fruit farmers have time and again expressed, through their government agricultural agencies, their dissatisfaction with Taiwan's apple import policy.

The source revealed that the quota to be allocated to Canada for its future apple exports to Taiwan will be based on the average volume of apples Canada shipped to this island from 1984 through 1986.

As for Korea, the source said, Taipei has reached an agreement with Seoul: Taiwan will import 5,000 metric tons of apples from Korea in exchange for exports of 15,000 to 20,000 tons of bananas to that country.

To protect domestic farmers, Taiwan banned imports of fruit from countries other than the United States last December.

Li Urges Closer KMT-Government Cooperation
*OW0909010988 Taipei CNA in English 1558 GMT
8 Sep 88*

[Text] Taipei, Sept. 8 (CNA)—President Li Teng-hui said Thursday the ruling Kuomintang (KMT) and the government should coordinate and cooperate more closely in order to make policy decisions more comprehensive and policy implementation more successful.

The president, who is also KMT chairman, was addressing a seminar on political and party affairs presided over by KMT Secretary-General Li Huan. More [word indistinct] senior KMT officials, government leaders and leading legislators, including Premier Yu Kuo-hwa and Nieh Wen-ya, president of the Legislative Yuan, were in attendance.

Commenting on the controversial issue of dividing line between the party and the government, President Li said he agreed that a line should be drawn, especially since the nation has entered an era of democratic development in which all parties are supposed to compete fairly. But he added that this does not mean that they should be kept far apart.

In fact, he said, ruling parties in democracies all play important roles in the governing process. It is only natural for the ruling party of a democratic nation to implement its platform as government policies and put the policies into effect in order to achieve the party's goals, he noted.

The KMT chairman added, however, that the party should refrain from intervening in the government during the policy implementation process and should expand participation by party members so as to better reflect public opinion.

President Li also exhorted party workers to contribute their wisdom and to bring team spirit into full play in order to provide the best service to the largest number of people.

In a democratic era, the ruling party should pay more attention to communications and coordination, should tolerate different opinions and seek or reach a consensus that can be accepted by the majority, Li pointed out.

The president also reiterated his determination to consolidate the rule of law, stressing that only when the rule of law is secured can democracy be and freedom ensured. [sentence as received] He called on KMT members to lead their compatriots in respect for and abiding by the law.

The KMT leader expressed strong confidence that the achievements and performance of the ruling party have won the approval and support of the general public. Saying that "had there not been the Kuomintang, the nation would not have been able to realize today's outstanding achievements." He encouraged all KMT members to work harder to ward off challenges and to accomplish new visions.

The seminar focused its discussions on ways to implement the resolutions adopted by the 13th KMT National Congress in July and ways to strengthen coordination between the party and the government, KMT sources said.

Since the KMT's role on the nation's political stage has gradually shifted from dominator to competitor, Secretary-General Li Huan also asked the participants to present active and constructive proposals about how the party can best cope with the change of role, the sources said.

President Li's Armed Forces Day Message Noted
*OW1109090488 Taipei International Service
in English 0200 GMT 4 Sep 88*

[Text] President Li Teng-hui on Saturday called on the armed forces to remain steadfast in the face of challenges and be ready to crush the enemy's plot and recover the Chinese mainland. He made the remarks in a message to the armed forces marking the Armed Forces Day on 3 September. In his capacity as the commander in chief of the ROC [Republic of China] armed forces, President Li reminded the military personnel of the glorious tradition of the ROC Army in unifying China in the 1920's and in defeating the Japanese in World War II under the leadership of the late President Chiang Kai-shek. As the armed forces in Taiwan are entrusted with the mission of national revival, Li said, all members must hold firm to the current direction under the Three Principles of the People. He stressed that the teachings of Dr Sun Yat-sen, the ROC's founding father, have successfully guided the realization of a prosperous democratic society in Taiwan.

General Hao Po-chun, chief of the General Staff, also called on the armed forces not to entertain any illusions for the Chinese mainland, asking them to strengthen their determination to eradicate communism.

President Li, Premier Yu Encourage Young Farmers
*OW1009022588 Taipei CNA in English 1441 GMT
9 Sep 88*

[Text] Taipei, Sept. 9 (CNA)—President Li Teng-hui said Friday that the accelerating pace of change in the economic structure is posing new challenges for agriculture, and so farm youth will play a central role in carrying agricultural development forward.

The president made his remarks in a congratulatory message to the first conference of the Asian-Pacific International Farm Youth Exchange Association (ASPAC IFYE), which opened at the Chientan Youth Activity Center in Taipei Friday afternoon.

The ROC [Republic of China] president praised IFYE for its outstanding achievements over the past years in promoting international farm youth exchange programs and in advancing agricultural information and cultural exchange in the Asian-Pacific region.

President Li said he believes that the meeting of minds and exchange of ideas will certainly bring new concepts to farm youth and will strengthen their leadership abilities. He encouraged the farm youth to devote themselves to rural development, to serving their hometowns and to creating a brilliant, increasingly prosperous future for the economies of their societies and nations, and the entire Asian-Pacific region.

Premier Yu Kuo-hua, invited to give the opening address to the gathering, told the 250 farm youth from 15 countries that the Republic of China is willing to share with other nations its experience in agricultural development.

In an analysis of the nation's agriculture development strategy, Yu said that the nation's agricultural policy is based on two fundamental guidelines—equitable distribution of wealth and optimum utilization of land. "Spearheaded by a highly successful land reform program, this

country's strategy for ensuring continued agricultural and rural development, guided by these two principles, has proven practical and productive," he noted.

The premier cited technical innovations, infrastructural improvements for both agricultural production and rural development purposes, strong farmers organizations, and economic incentives included in various government programs as the most important factor in contributing to the nation's agricultural development successes.

Human factors, however, have also played an essential role, he pointed out. "By this, I mean, first and foremost, the industriousness and innovativeness of our farmers, to which must be credited a large part of the agricultural success of this country."

Without the full participation and cooperation of the farmers, all government efforts will be useless and to no avail, Premier Yu said, adding "This is a very valuable lesson that this country would like to share with friends that are committed to real and continued agricultural and rural development."

Countries represented in the first Asian-Pacific IFYE conference, to run through Sept. 15, include South Korea, the Philippines, Thailand, India, the United States, Egypt, Australia, Switzerland, Costa Rica, New Zealand, and the host Republic of China.

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